

THIS INSTRUMENT PREPARED
BY AND SHOULD BE RETURNED
TO:

Brian Meltzer
MELTZER, PURTILL & STELLE LLC
1515 East Woodfield Road
Second Floor
Schaumburg, Illinois 60173-5431
(847) 330-2400



Doc#: 0511549293
Eugene "Gene" Moore Fee: \$110.00
Cook County Recorder of Deeds
Date: 04/25/2005 04:17 PM Pg: 1 of 44

ABOVE SPACE FOR RECORDER'S USE ONLY

30034\072\0001

04/20/05

COMMUNITY DECLARATION FOR HAVERFORD

TABLE OF CONTENTS

ARTICLE ONE	Definitions.....	2
1.01	ASSOCIATION MAINTAINED ROW	2
1.02	BOARD	2
1.03	BY-LAWS	2
1.04	CHARGES	2
1.05	COMMUNITY AREA	2
1.06	COMMUNITY ASSESSMENT	2
1.07	COMMUNITY ASSOCIATION	2
1.08	COMMUNITY DECLARATION	2
1.09	COMMUNITY EXPENSES	2
1.10	CONDOMINIUM UNIT	3
1.11	COST SHARING AGREEMENT	3
1.12	COUNTY	3
1.13	DECLARANT	3
1.14	DECLARANT'S DEVELOPMENT PLAN	3
1.15	DETACHED HOME	3
1.16	DETACHED HOME COMMITTEE	3
1.17	DETACHED HOME EXPENSES	3
1.18	DEVELOPMENT AREA	4
1.19	DWELLING UNIT	4
1.20	FIRST MORTGAGEE	4
1.21	LANDSCAPE BUFFER EASEMENT AREAS	4
1.22	LOT	4
1.23	MUNICIPALITY	4
1.24	NON-OWNER	4
1.25	OWNER	4
1.26	PERSON	4
1.27	PLAT	4
1.28	PREMISES	5
1.29	RECORD	5
1.30	RESIDENT	5

1/4-

1.22	RETAINING WALL LOT	5
1.31	TURNOVER DATE.....	5
1.32	VOTING MEMBER	5
ARTICLE TWO Scope of Community Declaration		5
2.01	PROPERTY SUBJECT TO COMMUNITY DECLARATION	5
2.02	CONVEYANCES SUBJECT TO COMMUNITY DECLARATION	5
2.03	DURATION	5
2.04	DWELLING UNIT CONVEYANCE	5
2.05	ACCESS EASEMENT	6
2.06	RIGHT OF ENJOYMENT	6
2.07	DELEGATION OF USE	6
2.08	RULES AND REGULATIONS	6
2.09	UTILITY EASEMENTS	6
2.10	EASEMENTS, LEASES, LICENSES AND CONCESSIONS	6
2.11	COMMUNITY ASSOCIATION'S ACCESS	7
2.12	NO DEDICATION TO PUBLIC USE	7
2.13	EASEMENT FOR ENCROACHMENT	7
2.14	OWNERSHIP OF COMMUNITY AREA	8
2.15	REAL ESTATE TAXES FOR COMMUNITY AREA.....	8
ARTICLE THREE Maintenance		8
3.01	IN GENERAL	8
3.02	MAINTENANCE BY ASSOCIATION	8
3.03	MAINTENANCE BY OWNERS.....	9
3.04	ALTERATIONS, ADDITIONS OR IMPROVEMENTS	10
3.05	CERTAIN UTILITY COSTS.....	11
3.06	DAMAGE BY RESIDENT	11
3.07	PRIVACY AREAS.....	12
3.08	ADDITIONAL SERVICES.....	12
ARTICLE FOUR Insurance/Condemnation.....		12
4.01	COMMUNITY AREA INSURANCE.....	12
4.02	HOME INSURANCE.....	13
4.03	REBUILDING OF DAMAGED HOME.....	14
4.04	OWNER RESPONSIBILITY	14
4.05	WAIVER OF SUBROGATION.....	14
4.06	CONDEMNATION	15
ARTICLE FIVE The Community Association		15
5.01	IN GENERAL	15
5.02	MEMBERSHIP	15
5.03	VOTING MEMBERS	15
5.04	BOARD	15
5.05	VOTING RIGHTS	15
5.06	DIRECTOR AND OFFICER LIABILITY.....	16
5.07	MANAGING AGENT	16
5.09	ATTENDANCE AT BOARD MEETINGS	16

ARTICLE SIX	Assessments	17
6.01	PURPOSE OF ASSESSMENTS	17
6.02	ASSESSMENT	17
6.03	PAYMENT OF COMMUNITY ASSESSMENT	18
6.04	REVISED ASSESSMENT	18
6.05	SPECIAL ASSESSMENT	18
6.06	CAPITAL RESERVE.....	19
6.07	INITIAL CONTRIBUTION/ADVANCE PAYMENT OF ASSESSMENT.....	20
6.08	PAYMENT OF ASSESSMENTS	20
ARTICLE SEVEN	Collection of Charges and Remedies for Breach or Violation.....	20
7.01	CREATION OF LIEN AND PERSONAL OBLIGATION	20
7.02	COLLECTION OF CHARGES.....	20
7.03	NON-PAYMENT OF CHARGES	20
7.04	LIEN FOR CHARGES SUBORDINATED TO MORTGAGES	21
7.05	SELF-HELP BY BOARD	21
7.06	OTHER REMEDIES OF THE BOARD	21
7.07	COSTS AND EXPENSES	21
7.08	ENFORCEMENT BY OWNERS	22
7.09	ENFORCEMENT BY THE MUNICIPALITY.....	22
ARTICLE EIGHT	Use Restrictions Relating to the Community Area	22
8.01	USE RESTRICTIONS	22
8.02	SIGNS	22
8.03	OBSTRUCTIONS AND REFUSE.....	22
8.04	PETS	22
8.05	PROSCRIBED ACTIVITIES	23
8.06	PROHIBITED USES AND STRUCTURES.....	23
8.07	PARKING	23
ARTICLE NINE	Use Restrictions Relating to the Lots	23
9.01	RESTRICTIONS	23
9.02	SIGNS	23
9.03	OBSTRUCTIONS AND REFUSE.....	23
9.04	PETS	24
9.05	PROSCRIBED ACTIVITIES	24
9.06	PROHIBITED USES AND STRUCTURES.....	24
9.07	PARKING	24
9.08	ANTENNAE	24
9.09	LEASE OF HOME.....	24
9.10	OUTBUILDINGS	25
9.11	TRASH.....	25
9.12	PLANTS.....	25
ARTICLE TEN	Declarant's Reserved Rights and Special Provisions Covering Development Period	25
10.01	IN GENERAL	25
10.02	PROMOTION OF PROJECT	25
10.03	CONSTRUCTION ON PREMISES	26
10.04	GRANT OF EASEMENTS AND DEDICATIONS.....	26

10.05 DECLARANT CONTROL OF COMMUNITY ASSOCIATION	26
10.06 OTHER RIGHTS	26
ARTICLE ELEVEN Amendment	27
11.01 SPECIAL AMENDMENTS	27
11.02 AMENDMENT	27
ARTICLE TWELVE First Mortgagees Rights	27
12.01 NOTICE TO FIRST MORTGAGEES	27
12.02 INSURANCE PROCEEDS/CONDEMNATION AWARDS	28
ARTICLE THIRTEEN Annexing Additional Property	29
13.01 IN GENERAL	29
13.02 POWER TO AMEND	29
13.03 EFFECT OF SUPPLEMENTAL COMMUNITY DECLARATION	29
ARTICLE FOURTEEN Dispute Resolution	30
14.01 CONSENSUS FOR ACTION BY COMMUNITY ASSOCIATION	30
14.02 ALTERNATIVE METHOD FOR RESOLVING DISPUTES	31
14.03 CLAIMS	31
14.04 MANDATORY PROCEDURES	32
14.05 AMENDMENT OF ARTICLE	35
ARTICLE FIFTEEN Miscellaneous	35
15.01 NOTICES	35
15.02 CAPTIONS	36
15.03 SEVERABILITY	36
15.04 PERPETUITIES AND OTHER INVALIDITY	36
15.05 ASSIGNMENT BY DECLARANT	36
15.06 TITLE HOLDING LAND TRUST	36
15.07 WAIVER OF IMPLIED WARRANTY OF HABITABILITY	36

COMMUNITY DECLARATION FOR HAVERFORD

This Community Declaration is made by Haverford Venture L.L.C., an Illinois limited liability company ("Declarant").

RECITALS

The Development Area is legally described in Exhibit A hereto. Some or all of the Development Area shall be the subject of a phased development called "Haverford" (the "Development"). The Development is planned to include a condominium building, single family detached homes and common areas.

Upon the Recording hereof, the Declarant shall subject the real estate which is legally described in Exhibit B hereto to the provisions of this Community Declaration as the Premises. From time to time the Declarant may subject additional portions of the Development Area to the provisions of this Community Declaration as Added Premises, as more fully described in Article Thirteen. Portions of the Premises will be made subject to a condominium declaration and Owners of units in any such condominium will be members of both the Community Association and the condominium association which administers the condominium. Nothing in this Community Declaration shall be construed as delegating to the Community Association, or authorizing the Community Association to exercise, any rights or powers on behalf of any such condominium association. It is not intended that the Community Association shall be a "master association" as defined in Section 18.5(a) of the Act (765 ILCS 605/18.5(a)). Nothing in this Community Declaration shall be construed to require the Declarant to subject additional portions of the Development Area to the provisions of this Community Declaration. Those portions of the Development Area which are not made subject to the provisions of this Community Declaration as Premises may be used for any purposes not prohibited by law.

The Declarant has formed, or will form, the Community Association under the Illinois General Not-For-Profit Corporation Act. The Community Association shall be responsible for administering and maintaining the Community Area and certain portions of dedicated right of ways and shall set budgets and fix assessments to pay the expenses incurred in connection therewith. Each Owner of a Dwelling Unit shall be a member of the Community Association and shall be responsible for paying assessments with respect to each Dwelling Unit owned by such Owner. It is not intended that the Community Association shall be a "common interest community association" as defined in Section 9-102(a)(8) of the Code of Civil Procedure (735 ILCS 5/9-102(a)(8)).

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

NOW, THEREFORE, the Declarant hereby declares as follows:

ARTICLE ONE
Definitions

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

1.01 ASSOCIATION MAINTAINED ROW: Those landscaped areas located on dedicated rights of way which serve the Development, if any, and improvements thereon, if any, (other than public roads), which are specifically designated in Part IV of Exhibit B hereto as Association Maintained ROW, as Exhibit B may be amended from time to time.

1.02 BOARD: The board of directors of the Community Association, as constituted at any time or from time to time, in accordance with the applicable provisions of Article Five.

1.03 BY-LAWS: The By-Laws of the Community Association.

1.04 CHARGES: The Community Assessment, any special assessment levied by the Community Association and/or any other charges or payments which an Owner is required to pay or for which an Owner is liable under this Community Declaration or the By-Laws.

1.05 COMMUNITY AREA: Those portions of the Premises which are legally described in Part III of Exhibit B hereto, as Exhibit B may be supplemented or amended from time to time. The Community Area shall generally include retention and detention areas, landscaped areas, private roads (including street lights and other improvements thereon), private driveways and monument sign areas.

1.06 COMMUNITY ASSESSMENT: The amounts which the Community Association shall assess and collect from the Owners to pay the Community Expenses and accumulate reserves for such expenses, as more fully described in Article Six.

1.07 COMMUNITY ASSOCIATION: The Haverford Homeowners Association, an Illinois not-for-profit corporation, its successors and assigns.

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

1.09 COMMUNITY EXPENSES: The expenses of administration (including management and professional services), operation, maintenance, repair, replacement and landscaping on the Community Area, Association Maintained ROW and Landscape Buffer Easement Areas; the cost of maintenance, repair and replacement of improvements, including streetlights, located on the Community Area and Association Maintained ROW; the cost of insurance for the Community Area; the cost of general and special real estate taxes, if any, levied

or assessed against the Community Area owned by the Community Association; the cost of, and the expenses incurred for, the maintenance, repair and replacement of personal property acquired and used by the Community Association in connection with the maintenance of the Community Area, Association Maintained ROW and Landscape Buffer Easement Areas; amounts payable pursuant to the Cost Sharing Agreement, if any; and any expenses designated as Community Expenses by this Community Declaration. Notwithstanding the foregoing, Community Expenses shall not include any payments made out of Capital Reserves.

1.10 CONDOMINIUM UNIT: A residential unit which is designated in Section II.B. of Exhibit B hereto as a "Condominium Unit".

1.11 COST SHARING AGREEMENT: A certain cost sharing agreement between the Community Association and the Heatherfield Single Family Attached Homeowners Association, an Illinois not for profit corporation, which agreement, if entered into, will establish a procedure for the maintenance, repair and replacement of improvements which may benefit the Development, including, without limitation, improvements such as landscaping of an entry area and a lift station located on or in the vicinity of the Heatherfield development which is located adjacent to the Development Area.

1.12 COUNTY: Cook County, Illinois or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the County as of the Recording of this Community Declaration.

1.13 DECLARANT: Haverford Venture L.L.C., an Illinois limited liability company, its successors and assigns.

1.14 DECLARANT'S DEVELOPMENT PLAN: Declarant's current plan for the Development. Declarant's Development Plan shall be maintained by the Declarant at its principal place of business and may be changed at any time or from time to time without notice.

1.15 DETACHED HOME: That portion of a Lot which is improved with a detached single family home and any decks and steps which serve the home.

1.16 DETACHED HOME COMMITTEE: A committee which shall consist of three (3) individuals, each of which shall be a Voting Member who represents a Detached Home. The Detached Home Committee shall be elected at each annual meeting of the Community Association, as more fully provided in the By-Laws.

1.17 DETACHED HOME EXPENSES: The expenses of the maintenance, repair and replacement of portions of Lots which are furnished by the Community Association hereunder; the expenses of the maintenance (including snow removal) repair and replacement of private roads in the Community Area which serve Detached Homes; and any expense which is designated as a Detached Home Expenses in this Community Declaration. Detached Home Expenses shall not be Community Expenses. In the event that certain expenses are incurred by the Community Association in connection with the Community Area, Association Maintained

ROW, Landscape Buffer Easement Areas and Lots, the allocation of such expenses between Community Expenses and Detached Home Expenses shall be made by the Board based on generally accepted accounting principles, and any such allocation shall be final and binding.

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

1.19 DWELLING UNIT: A portion of the Premises which is improved with a single family residential unit for which a temporary, conditional or final certificate of occupancy has been issued by the Municipality. A Dwelling Unit may be a Condominium Unit or a Lot which is improved with a Detached Home.

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

1.21 LANDSCAPE BUFFER EASEMENT AREAS: Those portions of Lots, if any, which are designated on the Plat as a Landscape Buffer Easement Areas.

1.22 LOT: A subdivided lot which is designated in Section II.A. of Exhibit B hereto as a "Lot" and upon which is, or will be, constructed a Detached Home.

1.23 MUNICIPALITY: The Village of Glenview, Illinois or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the Municipality as of the Recording of this Community Declaration.

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

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

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

1.27 PLAT: That certain Plat of Subdivision for Haverford, recorded in Cook County on _____, as Document No. _____.

1.28 PREMISES: The real estate which is legally described in Exhibit B hereto, as Exhibit B may be supplemented or amended from time to time.

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

1.30 RESIDENT: An individual who legally resides in a Dwelling Unit.

1.22 RETAINING WALL LOT: A Lot which is designated, from time to time, in Part V of Exhibit B hereto as a "Retaining Wall Lot".

1.31 TURNOVER DATE: The date on which the right and power of the Declarant to designate the members of the Board is terminated under Section 10.05.

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

ARTICLE TWO

Scope of Community Declaration

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

2.02 CONVEYANCES SUBJECT TO COMMUNITY DECLARATION: All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Community 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 the premises, and their respective heirs, successors, personal representatives or assigns, regardless of whether the deed or other instrument which creates or conveys the interest makes reference to this Community Declaration.

2.03 DURATION: Except as otherwise specifically provided herein the covenants, conditions, restrictions, easements, reservations, liens, and charges, which are granted, created, reserved or declared by this Community Declaration shall be appurtenant to and shall run with and bind the land for a period of forty (40) years from the date of Recording of this Community Declaration and for successive periods of ten (10) years each unless revoked, changed or amended in whole or in part by a Recorded instrument executed by the Owner of not less than three-fourths (3/4) of the Dwelling Units.

2.04 DWELLING UNIT CONVEYANCE: Once a Dwelling Unit has been conveyed by the Declarant to a bona fide purchaser for value, then any subsequent conveyance or transfer of ownership of the Dwelling Unit shall be of the entire Dwelling Unit and there shall be no

conveyance or transfer of a portion of the Dwelling Unit without the prior written consent of the Board.

2.05 ACCESS EASEMENT: Each Owner of a Dwelling Unit shall have a non-exclusive perpetual easement for ingress to and egress from his Dwelling Unit to public streets and roads, over and across the roads, driveways and walkways located on the Community Area, which easement shall run with the land, be appurtenant to and pass with title to every Dwelling Unit. The Municipality or any other governmental authority which has jurisdiction over the Premises shall have a non-exclusive easement of access over roads and driveways located on the Community Area for police, fire, ambulance, waste removal, snow removal, or for the purpose of furnishing municipal or emergency services to the Premises and to perform work provided or permitted under Section 7.09. The Community Association, its employees, agents and contractors, shall have the right of ingress to, egress from, and parking on the Community Area, and the right to store equipment on the Community Area, for the purpose of furnishing any maintenance, repairs or replacements of the Community Area, Association Maintained ROW or Landscape Buffer Easement Areas, as required or permitted hereunder.

2.06 RIGHT OF ENJOYMENT: Each Owner of a Dwelling Unit shall have the non-exclusive right and easement to use and enjoy the Community Area. Each Owner of a Dwelling Unit shall have the exclusive right to use and enjoy the Owner's Dwelling Unit. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Dwelling Unit and shall be subject to and governed by the laws, ordinances and statutes of jurisdiction, the provisions of this Community Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Community Association, including the right of the Community Association to come upon any portion of the Premises to furnish services hereunder.

2.07 DELEGATION OF USE: Subject to the provisions of this Community Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Community Association, any Owner may delegate his right to use and enjoy the Community Area and the Owner's Dwelling Unit to Residents of the Owner's Dwelling Unit. An Owner shall delegate such rights to tenants and contract purchasers of the Owner's Dwelling Unit who are Residents.

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

2.09 UTILITY EASEMENTS: The Municipality and all public and private utilities (including cable companies) serving the Premises are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Community Area for the purpose of providing utility services to the Premises or any other portion of the Development Area.

2.10 EASEMENTS, LEASES, LICENSES AND CONCESSIONS: The Community Association shall have the right and authority from time to time to lease or grant easements,

licenses, or concessions with regard to any portions or all of the Community Area for such uses and purposes as the Board deems to be in the best interests of the Owners and which are not prohibited hereunder, including, without limitation, the right to grant easements for utilities or any other purpose which the Board deems to be in the best interests of the Owners. Any and all proceeds from leases, easements, licenses or concessions with respect to the Community Area shall be used to pay the Community Expenses. Also, the Community Association shall have the right and power to dedicate any part or all of the roads or parking areas located on the Community Area to the Municipality, but only with the Municipality's approval. 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 Community Association and duly Recorded.

2.11 COMMUNITY ASSOCIATION'S ACCESS: The Community Association shall have the right and power to come onto a portion of the Premises for the purpose of furnishing the services required to be furnished hereunder or enforcing its rights and powers hereunder.

2.12 NO DEDICATION TO PUBLIC USE: Except for easements granted or dedications made as permitted in Section 2.10, nothing contained in this Community Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Community Area to or for any public use or purpose whatsoever.

2.13 EASEMENT FOR ENCROACHMENT: In the event that by reason of the construction, repair, reconstruction, settlement or shifting of an improvement to a Detached Home, any improvement which is intended to service and/or be part of the Detached Home shall encroach upon any part of any other Lot or upon the Community Area or any improvement to the Community Area shall encroach upon any part of a Lot, then there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof; provided, however, that in no event shall an easement for any encroachment be created in favor of any Owner (other than Declarant), if such encroachment occurred due to the intentional, willful, or negligent conduct of such Owner or his agent. Without limiting the foregoing, the Owner of each Dwelling Unit shall have an easement appurtenant to his Dwelling Unit for the continuance, maintenance, repair and replacement of the following improvements, if any, which encroach onto another Dwelling Unit or the Community Area:

- (a) the eaves, gutters, downspouts, fascia, flashings, and like appendages which serve the Detached Home on the Lot;
- (b) the chimney which serves the Detached Home on the Lot;
- (c) the air conditioning equipment which serves the Detached Home on the Lot;

or

(d) balconies, steps, porches, door entries and patios which serve the Detached Home on the Lot.

The Person who is responsible for the maintenance of any encroaching improvement for which an easement for continuance, maintenance, repair and replacement thereof is granted under this Section shall continue to be responsible for the maintenance of such encroaching improvement and the Person who is responsible for the maintenance of the real estate upon which such improvement encroaches shall not have the duty to maintain, repair or replace any such encroaching improvement unless otherwise provided in this Community Declaration.

2.14 OWNERSHIP OF COMMUNITY AREA: The Community Area shall be conveyed to the Community Association free of mortgages no later than the Turnover Date; however Community Area which is made subject to this Community Declaration after the Turnover Date shall be conveyed to the Community Association free of mortgages no later than ninety (90) days after such Community Area is made subject to this Community Declaration.

2.15 REAL ESTATE TAXES FOR COMMUNITY AREA: If a tax bill is issued with respect to Community Area which is made subject to this Community Declaration in the middle of a tax year (regardless of when it is conveyed to the Community Association), then the tax bill shall be prorated so that the Declarant shall be responsible for the payment of that portion of the tax bill from January 1st of the tax year to the date that such Community Area is made subject to this Community Declaration, and the Community Association shall be responsible for the balance of the tax bill.

ARTICLE THREE Maintenance

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

3.02 MAINTENANCE BY ASSOCIATION:

(a) The following maintenance, repairs and replacements shall be furnished by the Association as a Community Expense:

(i) added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Community Area, Association Maintained ROW and Landscape Buffer Easement Areas;

(ii) maintenance, repair and replacement of all improvements from time to time located on the Community Area, including, but not limited to monument signs, if any, installed by the Declarant, and those improvements on the Association Maintained ROW which are specifically designated in Part IV of Exhibit B hereto as being the responsibility of the Association to maintain;

(iii) maintenance of portions of the Community Area, if any, which are designated as "wetlands" by any governmental authority, which maintenance shall follow guidelines and the terms and conditions of any permits from time to time issued by the governmental authority which has jurisdiction over maintenance of wetlands; and

(iv) maintenance repair and replacement of the retaining wall installed by the Declarant on a Retaining Wall Lot.

(b) The following maintenance, repairs and replacements shall be furnished by the Association as a Detached Home Expense:

(i) maintenance (including snow removal), repair and replacement of the private roads and service drives located on the Community Area which serve the Detached Homes;

(ii) added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on each Lot which is improved with a Detached Home;

(iii) snow removal from the driveways and walkways which serve a Lot which is improved with a Detached Home; and

(iv) maintenance, repair and replacement of landscaping installed by the Owner on the Owner's Lot with Board approval where the Board does not require the Owner to maintain such landscaping.

3.03 MAINTENANCE BY OWNERS:

(a) Each Owner of a Lot which is improved with a Detached Home shall be responsible for the maintenance (other than snow removal), repair and replacement of the private driveways and walkways which serve the Owner's Lot.

(b) Except as provided below, each Owner of a Lot which is improved with a Detached Home shall cause the Lot and Detached Home thereon to be maintained so that the appearance of the Lot and Detached Home is substantially similar to its appearance when first constructed or as modified as permitted pursuant to Section 3.04, ordinary unavoidable wear and tear excepted. Each Owner shall be responsible for watering the grass and other landscaping on the Owner's Lot.

(c) The Board may adopt rules and regulations governing the watering of portions of the Premises by Owners.

(d) If, in the judgment of the Board, an Owner fails to maintain those portions of the Owner's Lot which the Owner is responsible for maintaining hereunder in good condition and repair or the appearance of such portions is not of the quality of that of other Lots in the

Development or in compliance with rules and regulations adopted by the Board from time to time, then the Board may, in its discretion, take the following action:

(i) advise the Owner of the work which must be done and allow the Owner at least twenty (20) days (or less in the case of an emergency) to cause the work to be done; and

(ii) if the work is not done to the satisfaction of the Board, in its sole judgment, then the Board may seek injunctive relief, levy a fine and/or cause such work to be done and the cost thereof shall be a Charge payable by the Owner to the Association upon demand.

3.04 ALTERATIONS, ADDITIONS OR IMPROVEMENTS: (a) No additions, alterations or improvements, including, without limitation, (i) changes in the exterior color of a Detached Home, (ii) construction of awnings, antenna or satellite dish, (iii) changes or additions to patio or deck, (iv) installation of a mailbox, outbuilding, gazebo or shed, (v) changes to landscaping, or (vi) other similar improvements, shall be made to any Lot or any part of the Detached Home which is visible from outside the Detached Home by an Owner without the prior written consent of the Board and, until the Declarant no longer owns or controls title to any portion of the Development Area, the Declarant, and compliance with applicable ordinances of the Municipality. Notwithstanding the foregoing, no fence, play set or pool shall be permitted on any portion of the Premises. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement to a Lot or Detached Home 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) if the addition, alteration or improvement is required to be maintained hereunder by the Community Association as part of the Detached Home Expenses, to pay to the Community Association from time to time the additional cost of the maintenance as a result of the addition, alteration or improvements. If an addition, alteration or improvement which requires the consent of the Board and/or Declarant hereunder is made to a Lot or a Detached Home by an Owner without the prior written consent of the Board or Declarant, or both, as applicable, then (i) the Board may, in its discretion, take either of the following actions; and (ii) until such time as the Declarant no longer owns or controls title to any portion of the Development Area, the Declarant may, in its discretion take either of the following actions:

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

(2) If the Owner refuses or fails to properly perform the work required under (a), may cause such work to be done and may charge the Owner for the cost thereof as determined by the Board or the Declarant, as applicable.

(b) Subject to the provisions of Article Nine, no alterations, additions or improvements shall be made to the Community Area, Association Maintained ROW or Landscape Buffer Easement Areas without the prior approval of the Board and, if required under applicable

Municipality ordinances, the approval of the Municipality. The Community Association may cause alterations, additions or improvements to be made to the Community Area, Association Maintained ROW or Landscape Buffer Easement Areas, and the cost thereof shall be paid from a special assessment, as more fully described in Section 6.05; except, that, any such alteration, addition or improvement which shall cost more than six (6) months assessments then in effect under the then current budget shall be approved in advance at a special meeting of the Owners.

3.05 CERTAIN UTILITY COSTS: Certain utility costs incurred in connection with the use, operation and maintenance of the Community Area may not be separately metered and billed to the Community Association. If the cost for any such utility is metered and charged to individual Dwelling Units rather than being separately metered and charged to the Community Association, then the following shall apply:

(a) If in the opinion of the Board, each Owner is sharing in a fair and equitable manner the cost for such service, then no adjustment shall be made and each Owner shall pay his own bill; or

(b) If in the opinion of the Board, the Owner is being charged disproportionately for costs allocable to the Community Area, then the Community Association shall pay, or reimburse such Owner, an amount equal to the portion of the costs which in the reasonable determination of the Board is properly allocable to the Community Area, Association Maintained ROW and Landscape Buffer Easement Areas and the amount thereof shall be Community Expenses hereunder.

(c) Notwithstanding the foregoing, the provisions of this subsection (c) shall apply to the water bills for each Detached Home whose outdoor spigot is used by the Community Association for the purpose of watering landscaping on the Premises ("Water Use Home"). The Community Association shall pay the monthly water bill for each Water Use. Each year, the Community Association shall determine the "Average Winter Monthly Water Bill" for each Water Use Home, which shall be equal to 1/6th of the total of the monthly water bills, for the Water Use Home for the six month period from November of the preceding calendar year through April of the current year; provided, that until the Average Winter Monthly Water Bill is first calculated and determined, the Association shall use as the Average Winter Monthly Water Bill an amount equal to the estimate of what such monthly bill should be, as furnished to the Association by the Municipality. The Community Association shall charge the Owner of each Water Use Home each month an amount equal to the Average Winter Monthly Water Bill until the next Average Winter Monthly Water Bill is determined as provided above, which amount shall be payable by such Owner as a Charge hereunder.

Any determinations or allocations made hereunder by the Board shall be final and binding on all parties.

3.06 DAMAGE BY RESIDENT: If, due to the act or omission of a Resident of a Dwelling Unit, or of a household pet or guest or other authorized occupant or invitee of the

Owner of a Dwelling Unit, damage shall be caused to the Community Area, Association Maintained ROW or Landscape Buffer Easement Areas and maintenance, repairs or replacements shall be required thereby, which would otherwise be a Community Expense, then the Owner of the Dwelling Unit shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by insurance carried by the Community Association.

3.07 PRIVACY AREAS: No alteration, addition or improvement shall be made to any portion of the landscaped area on a Lot outside of the Detached Home without the prior written consent of the Board. Notwithstanding the foregoing, however, certain portions of each Detached Home may be designated by the Declarant or the Community Association as a "Privacy Area". An Owner of a Lot shall have the right to improve the Privacy Area, if any, designated on the Owner's Lot with a garden, deck, patio or other improvements subject to reasonable rules and regulations from time to time adopted by the Detached Home Committee. If the Owner alters the Privacy Area from its original state, the Owner and the Owner's successors in title shall be responsible at the Owner's expense for the maintenance, repair and replacement (including landscape maintenance of the Privacy Area and any improvements thereto). If the Owner fails, in the sole judgment of the Detached Home Committee, to properly maintain the Privacy Area on his Lot, then the Community Association, in its discretion and at the Owner's expense, may (i) cause the Privacy Area to be properly maintained and the cost thereof shall be a Charge to the Owner or (ii) cause the Privacy Area to be restored to its original state in conformity with the surrounding landscaping, and charge the cost thereof to the Owner and thereafter, the Privacy Area shall be maintained by the Community Association as provided in Section 3.02(b) above.

3.08 ADDITIONAL SERVICES: In addition to the services required to be provided by the Community Association, the Community Association may furnish services relating to the use and maintenance of a Lot or Lots such as, for example, maintenance or repairs to the Detached Home or driveway or walkways on the Lot and may charge the cost of providing such services to the Owner or Owners who benefit from the service. The Board may charge the Owner of each Lot which receives any such service for the reasonable cost of providing such service, which may be allocated in equal shares for each of the Lots which is served, or on such other reasonable basis as the Board may deem appropriate. Any amount charged to an Owner for services furnished pursuant to this Section shall be due and payable at such time or times as designated by the Board and failure to pay any such amount shall give rise to a lien provided for in Section 7.01.

ARTICLE FOUR Insurance/Condemnation

4.01 COMMUNITY AREA INSURANCE:

(a) The Community Association shall have the authority to and shall obtain fire and all risk coverage insurance covering the improvements, if any, to the Community Area and other improvements required to be maintained by the Community Association, including, without limitation, those improvements on real estate which is owned by or dedicated to the Municipality

which the Community Association is responsible for maintaining (based on current replacement cost for the full insurable replacement value of such improvements).

(b) The Community Association shall have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workers compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, the Community Association, its directors and officers, the Declarant, the managing agent, if any, and their respective employees and agents, as their interests may appear, from liability resulting from an occurrence on or in connection with, the Community Area, Association Maintained ROW or Landscape Buffer Easement Areas. The Board may, in its discretion, obtain any other insurance which it deems advisable including, without limitation, insurance covering the directors and officers from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 5.06. Such insurance coverage shall include cross liability claims of one or more insured parties.

(c) Fidelity bonds indemnifying the Community Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Community Association or of any other person handling funds of the Community Association may be obtained by the Community Association in such amounts as the Board may deem desirable.

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

4.02 DETACHED HOME INSURANCE:

(a) Each Owner of a Detached Home shall be responsible for and shall procure fire and all risk coverage insurance upon such Owner's Detached Home for not less than the full insurable replacement value thereof under a policy or policies of insurance with such company or companies, in such form, and for such premiums and periods as he may determine to be appropriate. Each Owner shall also be responsible for his own insurance on the contents of his Detached Home and furnishings and personal property therein.

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

4.03 REBUILDING OF DAMAGED DETACHED HOME:

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

(b) In the event that any Owner shall fail, within a reasonable time after the occurrence of damage or destruction referred to in Subsection (a), to perform the necessary repair or rebuilding, then, the Board may cause such repairs or rebuilding to be performed in the manner as provided in Subsection (a) and the cost thereof shall be a Charge hereunder payable by the Owner to the Community Association upon demand.

4.04 OWNER RESPONSIBILITY: In addition to the coverage described in Section 4.02 above with respect to his Dwelling Unit, each Owner shall obtain his own personal liability insurance to the extent not covered by the liability insurance for all of the Owners obtained as part of the Community Expenses as above provided, and the Board shall have no obligation whatsoever to obtain any such individual insurance coverage on behalf of the Owners. No Owner shall cause or permit anything to be done or kept on the Premises which will result in the cancellation of insurance on such Owner's Dwelling Unit, any other Dwelling Unit, or the Community Area.

4.05 WAIVER OF SUBROGATION: The Community Association and each Owner hereby waives and releases any and all claims which it or he may have against any Owner, including relatives of an Owner, the Community Association, its directors and officers, Declarant, the managing agent, if any, and their respective employees and agents, for damage to the Dwelling Units, the Community Area, the Association Maintained ROW, the Landscape Buffer Easement Areas or to any personal property located in the Dwelling Units or on the Community Area, Association Maintained ROW or Landscape Buffer Easement Areas caused by fire or other casualty, to the extent that such damage is covered by fire or other forms of casualty insurance, and to the extent this release is allowed by policies for such insurance. To the extent possible, all policies secured by the Board under Sections 4.01(a) and (b) and by each Owner under Section 4.02 or each condominium association shall contain waivers of the insurer's rights to subrogation against any Owner, relatives of an Owner, the Community Association, its directors and officers, the Declarant, the managing agent, if any, and their respective employees and agents.

4.06 CONDEMNATION: In the case of a taking or condemnation by competent authority of any part of the Community Area, the proceeds awarded in such condemnation shall be paid to the Community Association and such proceeds, together with any Community Area Capital Reserve being held for such part of the Community Area, shall, in the discretion of the Board, either (i) be applied to pay the Community Expenses, (ii) be distributed to the Owners and their respective mortgagees, as their interests may appear, in equal shares, or (iii) be used to acquire additional real estate to be used and maintained for the mutual benefit of all Owners, as Community Area under this Community Declaration. Any acquisition by the Community Association pursuant to this Section of real estate which shall become Community Area hereunder shall not become effective unless and until a supplement to this Community Declaration, which refers to this Section and legally describes the real estate affected, is executed by the President of the Community Association and Recorded.

ARTICLE FIVE

The Community Association

5.01 IN GENERAL: Declarant has caused the Community Association to be incorporated as a not-for-profit corporation under Illinois law. The Community Association shall be the governing body for all of the Owners for the limited purposes of the administration, operation, maintenance, repair and replacement of the Community Area, Association Maintained ROW and Landscape Buffer Easement Areas, as provided herein.

5.02 MEMBERSHIP Each Owner shall be a member of the Community 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 Community Association shall be given written notice of the change of ownership of a Dwelling Unit within ten (10) days after such change.

5.03 VOTING MEMBERS: Subject to the provisions of Section 5.05, voting rights of the members of the Community Association shall be vested exclusively in the Voting Members. One individual shall be designated as the "Voting Member" for each Dwelling Unit. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners. If the Record ownership of a Dwelling Unit shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Dwelling Unit shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Dwelling Unit as the Voting Member for such Dwelling Unit.

5.04 BOARD: Subject to the rights retained by the Declarant under Section 10.05, the Board shall consist of that number of members provided for in the By-Laws, each of whom shall be an Owner or Voting Member.

5.05 VOTING RIGHTS: Prior to the Turnover Date, all of the voting rights at each meeting of the Community Association shall be vested exclusively in the Declarant and the

Owners (other than Declarant) shall have no voting rights. From and after the Turnover Date, all of the voting rights at any meeting of the Community Association shall be vested in the Voting Members and each Voting Member shall have one vote for each Dwelling Unit which the Voting Member represents. From and after the Turnover Date any action may be taken by the Voting Members at any meeting at which a quorum is present (as provided in the By-Laws) upon the affirmative vote of a majority of the votes held by the Voting Members present at such meeting, except as otherwise provided herein or in the By-Laws.

5.06 DIRECTOR AND OFFICER LIABILITY: Neither the directors nor the officers of the Community Association shall be personally liable to the Community Association or 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 Community Association shall indemnify and hold harmless each of the directors and officers, and his or her heirs, executors or administrators, against all contractual and other liabilities to the Community Association, the Owners or others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Community Association or arising out of their status as directors or officers unless any such contract or act shall have been made criminally, fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other in which any such director may be involved by virtue of such person being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer.

5.07 MANAGING AGENT: An independent managing agent may be engaged by the Community Association to act as the managing agent for the Community Association and as managing agent shall be paid a reasonable fee for its services as fixed by a written agreement between the Community Association and managing agent. Any management agreement entered into by the Community Association prior to the Turnover Date shall have a term of not more than two years and shall be terminable by the Community Association without payment of a termination fee on ninety (90) days written notice.

5.09 ATTENDANCE AT BOARD MEETINGS: Owners may attend meetings of the Board only if, and to the extent, permitted by the Board in its discretion. It is not the intention that Owners shall have the right to attend meetings of the Board in the same manner as provided for members of condominium associations under the Illinois Condominium Property Act.

ARTICLE SIX
Assessments

6.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Community Association shall be for the purpose of promoting the recreation, health, safety, and welfare of the Community Association, to administer the affairs of the Community Association, to pay the Community Expenses and Detached Home Expenses, and accumulating reserves for any such expenses.

6.02 ASSESSMENT: Each year on or before December 1, the Board shall adopt and furnish each Owner with a budget for the ensuing calendar year, which shall show the following with reasonable explanations and itemizations:

- (a) The estimated Detached Home Expenses;
- (b) The estimated amount, if any, to maintain adequate reserves for Detached Home Expenses;
- (c) The amount of the "Detached Home Assessment" payable by the Owners of Lots, which shall be equal to the amount determined in (a) above plus the amount determined in (b) above;
- (d) That portion of the Detached Home Assessment which shall be payable by the Owner of each Lot until the next annual Detached Home Assessment or revised Detached Home Assessment becomes effective, which amount shall be equal to the Detached Home Assessment divided by the number of Detached Homes, so that each Owner of a Lot shall pay equal Detached Home Assessments for each Lot owned;
- (e) The estimated Community Expenses;
- (f) The estimated amount, if any, to maintain adequate reserves for Community Expenses;
- (g) The amount of the "Community Assessment" payable by the Owners of Dwelling Units, which is hereby defined as the amount determined in (e) above, plus the amount determined in (f) above; and
- (h) That portion of the Community Assessment which shall be payable by the Owner of each Dwelling Unit each year until the next Community Assessment or revised Community Assessment becomes effective, which amount shall be equal to the Community Assessment, divided by the number of Dwelling Units as shown on the Declarant's Development Plan, so that each Owner shall pay equal Community Assessments for each Dwelling Unit owned.

The Detached Home Committee shall prepare and approve that portion of the budget provided for in (a), (b), (c) and (d) above.

Anything herein to the contrary notwithstanding the following provisions shall apply with respect to the period prior to the Turnover Date. Any budget ("Stabilized Budget") prepared by the Board or Detached Home Committee prior to the Turnover Date shall be based on the assumptions that (i) the Development has been fully constructed as shown on Declarant's Development Plan and (ii) all proposed Dwelling Units have been sold and are occupied. The Declarant's Development Plan shall be kept on file with the Community Association and may be modified from time to time by Declarant. Declarant shall not be obligated to pay any Detached Home Assessments or Community Assessments to the Community Association prior to the Turnover Date. However, if with respect to the period commencing on the date of the Recording of this Declaration and ending on the Turnover Date, the amount of Detached Home Assessments or Community Assessments and working capital contributions under Section 6.07 payable by Owners (other than Declarant) less the portions thereof which are to be added to Reserves is less than the Detached Home Expenses or Community Expenses, as applicable, which are actually incurred with respect to such period, for such purpose then the Declarant shall pay the difference to the Community Association. From time to time prior to the Turnover Date, the Declarant may (but shall not be obligated to) advance to the Community Association funds to be used by the Community Association to pay its expenses ("Advanced Funds"). A final accounting and settlement of the amount, if any, owed by Declarant to the Community Association shall be made as soon as practicable after the Turnover Date. If, and to the extent that, the final accounting determines that the Advanced Funds, if any, are less than the amount owed by the Declarant to the Community Association pursuant to this Section, the Declarant shall pay the difference to the Community Association. If, and to the extent that, the final accounting determines that the Advanced Funds, if any, exceed the amount owed by the Declarant to the Community Association pursuant to this Section, then the Community Association shall pay such excess to the Declarant.

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

6.04 REVISED ASSESSMENT: If the Community Assessment or Detached Home Assessment proves inadequate for any reason (including nonpayment of any Owner's assessment) or proves to exceed funds reasonably needed, then the Board may increase or decrease the assessment payable under Section 6.02 by giving written notice thereof (together with a revised budget and explanation for the adjustment) to each Owner not less than ten (10) days prior to the effective date of the revised assessment.

6.05 SPECIAL ASSESSMENT: The Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Community Expenses or Detached Home Expenses incurred (or to be incurred) by the Community Association from

time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Community Area, Association Maintained ROW, Landscape Buffer Easement Areas or any other property owned or maintained by the Community Association; or (ii) to cover an unanticipated deficit under the prior year's budget (but only for periods after the Turnover Date). Any special assessment shall be levied against all of Dwelling Units in using the procedure provided for in Section 6.02. No special assessment shall be adopted without the affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes cast on the question; provided that only Voting Members representing Detached Home Lots will be eligible to vote on a special assessment which would be levied only against Detached Home Lot Owners.

The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

6.06 CAPITAL RESERVE: The Community Association shall segregate and maintain special reserve accounts to be used solely for making capital expenditures in connection with the Community Area, Association Maintained ROW, and Landscape Buffer Easement Areas (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Community Area, Association Maintained ROW or Landscape Buffer Easement Areas which are required to be maintained by the Community Association hereunder and periodic projections of the cost of anticipated major repairs or replacements to such property and the purchase of other property to be used by the Community Association in connection with its duties hereunder. The Capital Reserve may be built up by separate or special assessments or out of the Community Assessment or Detached Home Assessment as provided in the budget. Special accounts set up for portions of the Capital Reserve to be used to make capital expenditures with respect to the Community Areas, Association Maintained ROW or Landscape Buffer Easement Areas shall be held by the Community Association as agent and trustee for the Owners of Dwelling Units with respect to which the Capital Reserve is held and such accounts shall be deemed to have been funded by capital contributions to the Community Association by the Owners. The budgets which will be adopted from time to time by the Boards appointed by the Declarant prior to the Turnover Date shall include reserve buildups which the Board deems to be appropriate based on information available to the Board. Boards elected by the Owners after the Turnover Date may use different approaches from those used by Boards appointed by the Declarant for the buildup of reserves or may choose not to provide for the buildup of reserves for certain capital expenditures or deferred maintenance for repairs or replacements of the Community Area, Association Maintained ROW or Landscape Buffer Easement Areas. If the Board chooses not to provide for the buildup of reserves for a particular anticipated expenditure or if the buildup of reserves that the Board does provide for in its budgets does not result in sufficient funds to pay for the expenditure when the expenditure must be made, then (i) neither the Board nor any of its past or present members shall be liable to the Community Association or the Owners for failing to provide for sufficient reserves and (ii) the Board shall have the right and power to either levy a separate or special assessment to raise the funds to pay the expenditure or to borrow funds to pay the expenditure

and repay the borrowed funds out of future Community Assessments, Detached Home Assessments, separate assessments or special assessments.

6.07 INITIAL CONTRIBUTION/ADVANCE PAYMENT OF ASSESSMENT: Upon the closing of the first sale of a Dwelling Unit by the Declarant, the purchasing Owner shall pay to the Community Association an amount equal to (i) the annual Community Assessment and three months of the then current Detached Home Assessment, (with respect to Lots) at the rate which shall become effective with respect to the Dwelling Unit as of the closing, which amount shall be held and used by the Community Association for its working capital needs, plus (ii) one hundred dollars (\$100.00), which shall be added to the Capital Reserve. Any advance assessment payment made hereunder shall be applied as an advance payment of assessments with respect to such period; however, if assessments increase during such period the Owner of the Dwelling Unit shall be required to pay the amount of the increase.

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

ARTICLE SEVEN

Collection of Charges and Remedies for Breach or Violation

7.01 CREATION OF LIEN AND PERSONAL OBLIGATION: The Declarant hereby covenants, and each Owner of a Dwelling Unit by acceptance of a deed therefor (whether or not it shall be so expressed in any such deed or other conveyance), shall be and is deemed to covenant and hereby agrees to pay to the Community Association all Charges made with respect to the Owner on the Owner's Dwelling Unit. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Dwelling Unit against which such Charge is made and also shall be the personal obligation of the Owner of the Dwelling Unit at the time when the Charge becomes due. The lien or personal obligation created under this Section shall be in favor of and shall be enforceable by the Community Association.

7.02 COLLECTION OF CHARGES: The Community Association shall collect from each Owner all Charges payable by such Owner under this Community Declaration.

7.03 NON-PAYMENT OF CHARGES: Any Charge which is not paid to the Community Association when due shall be deemed delinquent. Any Charge which is delinquent for thirty (30) days or more shall bear interest at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, from the due date to the date when paid. The Community Association may (i) bring an action against the Owner personally obligated to pay the Charge to recover the Charge (together with interest, costs and reasonable attorney's fees for any such action, which shall be added to the amount of the Charge and included in any judgment rendered in such action), and (ii) enforce and foreclose any lien which it has or which may exist for its benefit. In addition, the Board may add a reasonable late fee to any installment

of an assessment which is not paid within thirty (30) days of its due date. No Owner may waive or otherwise escape personal liability for the Charges hereunder by nonuse of the Community Area or by abandonment or transfer of his Dwelling Unit.

7.04 LIEN FOR CHARGES SUBORDINATED TO MORTGAGES: The lien for Charges, provided for in Section 7.01, shall be subordinate to the First Mortgagee's mortgage on the Dwelling Unit which was Recorded prior to the date that any such Charge became due. Except as hereinafter provided, the lien for Charges, provided for in Section 7.01, shall not be affected by any sale or transfer of a Dwelling Unit. Where title to a Dwelling Unit is transferred pursuant to a decree of foreclosure of the First Mortgagee's mortgage or by deed or assignment in lieu of foreclosure of the First Mortgagee's mortgage, such transfer of title shall extinguish the lien for unpaid Charges which became due prior to the date of the transfer of title. However, the transferee of the Dwelling Unit shall be personally liable for his share of the Charges with respect to which a lien against his Dwelling Unit has been extinguished pursuant to the preceding sentence where such Charges are reallocated among all the Owners pursuant to a subsequently adopted annual or revised Community Assessment or special assessment, and non-payment thereof shall result in a lien against the transferee's Dwelling Unit, as provided in this Article.

7.05 SELF-HELP BY BOARD: In the event of a violation or breach by an Owner of the provisions, covenants or restrictions of the Community Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, then the Board, upon not less than ten (10) days' prior written notice to the Owner, shall have the right to enter upon that part of the Premises where the violation or breach exists to remove or rectify the violation or breach; provided, that, if the violation or breach exists within a Dwelling Unit, judicial proceedings must be instituted before any items of construction can be altered or demolished.

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

7.07 COSTS AND EXPENSES: All costs and expenses incurred by the Board in connection with any action, proceedings or self-help in connection with exercise of its rights and remedies under this Article, including, without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, until paid, shall be charged to and assessed against the defaulting Owner, and the Community Association shall have a lien for all the same, upon his Dwelling Unit as provided in Section 7.01.

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

7.09 ENFORCEMENT BY THE MUNICIPALITY: The Municipality is hereby granted the right, but shall not be obligated, to enforce covenants and obligations of the Community Association or the Owners hereunder. If the Community Association or one or more Owners fail to comply with any covenants and obligations hereunder, the Municipality shall have the right (but shall not be obligated) to give notice to the Community Association or the offending Owner or Owners of its, his or their failure to perform its, his or their obligations. If such notice is given and the Community Association or the offending Owner or Owners do not perform to the satisfaction of the Municipality within thirty (30) days after the giving of such notice, then the Municipality may (but shall not be obligated to) enter upon the Premises and perform any and all work which it deems necessary and appropriate, either directly or through contractors engaged by the Municipality. The Community Association or the offending Owner or Owners shall, upon demand, reimburse the Municipality for the reasonable cost of such work and if payment is not made within thirty (30) days after demand, then the amount due shall become a lien on the property of the offending Owner or Owners or, in the case of the Community Association, the property of the Community Association; provided, however, that such lien shall be subordinate to the lien of any first mortgage on a Lot Recorded prior to the date on which any such cost becomes a lien against the Lot as provided above.

ARTICLE EIGHT

Restrictions Relating to the Community Area

8.01 USE RESTRICTIONS: No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Community Area.

8.02 SIGNS: Subject to the provisions of Article Ten, no sign of any kind shall be maintained or permitted on any part of the Community Area, except as permitted by the Board.

8.03 OBSTRUCTIONS AND REFUSE: Except as permitted under Article Ten, there shall be no obstruction of the Community Area. No Owner shall store any items or materials in the Community Area without the prior written consent of the Board. The Community Area shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon.

8.04 PETS: No animal of any kind shall be raised, bred or kept in any part of the Community Area. The Board may from time to time adopt rules and regulations governing the use of the Community Area by pets. Any pet causing or creating a nuisance or unreasonable disturbance to an Owner shall be permanently removed from the Premises upon three (3) days

written notice from the Board to the Owner of the Dwelling Unit containing such pet and the decision of the Board shall be final.

8.05 PROSCRIBED ACTIVITIES: No noxious or offensive activity shall be carried on in the Community Area nor shall anything be done therein, either willfully or negligently, which may be or become an unreasonable annoyance or nuisance to the Residents. There shall be no swimming, fishing, boating, ice skating or use of personal flotation devices in or on any lake or detention area on the Community Area, it being intended that such areas shall be aesthetic amenities only and shall not be used for active recreational purposes.

8.06 PROHIBITED USES AND STRUCTURES: Unless permitted by the Board, no clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Community Area. Except as permitted under Section 10.03 there shall be no obstruction of the Community Area and nothing shall be stored in the Community Area without the prior written consent of the Board.

8.07 PARKING: No boats, trailers, trucks (other than a pick up truck), recreational vehicles or similar vehicles shall be stored or parked overnight on any portion of the Community Area except as permitted under rules and regulations adopted by the Board.

ARTICLE NINE Restrictions Relating to the Lots

9.01 RESTRICTIONS:

(a) Except as provided in Article Ten or in subsections (b) and (c) of this Section, each Detached Home shall be used only as a residence and no industrial business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Premises.

(b) No Resident of a Detached Home shall be precluded with respect to his Detached Home, from (i) maintaining a personal professional library, (ii) keeping his personal business records or accounts therein, or (iii) handling his personal business or professional calls or correspondence therefrom.

(c) To the extent permitted under applicable laws and ordinances, a Resident of a Detached Home may conduct an in-home business in a Detached Home.

9.02 SIGNS: Except as otherwise provided in Article Ten, or specifically approved, in writing, by the Board, no advertising sign (except one "For Rent" or "For Sale" sign of not more than five square feet), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on any Lot.

9.03 OBSTRUCTIONS AND REFUSE: Each Lot shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Board.

Except for garbage pick up days, all garbage cans shall be kept inside garages or other structures approved by the Board.

9.04 PETS: No animal of any kind shall be raised, bred or kept in any part of the Premises; provided that common household pets shall be permitted in Detached Homes subject to rules and regulations adopted from time to time by the Board. Any pet causing or creating a nuisance or unreasonable disturbance to an Owner shall be permanently removed from the Premises upon three (3) days written notice from the Board to the Owner of the Detached Home containing such pet and the decision of the Board shall be final.

9.05 PROSCRIBED ACTIVITIES: No nuisance, noxious or offensive activity shall be carried on in the Premises nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or occupants of any Detached Home.

9.06 PROHIBITED USES AND STRUCTURES: Unless permitted by the Board, no clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of a Lot.

9.07 PARKING: Parking areas and driveways shall be used for parking operable automobiles only and no part of any Lot shall be used for storage use, or parking of mobile homes, trailers, commercial vehicles, snowmobiles or boats except within the confines of a garage. No repair or body work of any motorized vehicle shall be permitted except within the confines of the garage. Any violation of this provision shall be deemed a nuisance. Passenger motor vehicles in non-operative condition shall not be parked, except in garages

9.08 ANTENNAE: Subject to applicable federal, state and local laws, regulations and ordinances, no communication antenna, receiving dish or similar devices shall be installed on the exterior of a Detached Home; however, one (1) satellite dish of not more than one meter in diameter may be installed on the exterior of a Detached Home, provided that it is not visible from another Detached Home or the street.

9.09 LEASE OF DETACHED HOME: Any Owner shall have the right to lease all (and not less than all) of his Detached Home subject to the provisions of subsections (a) and (b) below:

(a) No Detached Home shall be leased for less than six (6) months or for hotel or transient purposes.

(b) Any lease shall be in writing and shall provide that such lease shall be subject the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease. A lessee shall be bound by the provisions hereof regardless of whether the lease specifically refers to this Declaration.

9.10 OUTBUILDINGS:

(a) No outbuilding, shed, storage shed, animal house, jacuzzi, greenhouse or other temporary or permanent structure shall be constructed on any Lot, except as permitted pursuant to Section 3.04.

(b) There shall be no construction on any Lot which results in a building or structure inconsistent with the general architectural design and aesthetic flavor of either (i) the Detached Home on the Lot or (ii) the remainder of the Detached Homes on the Premises.

9.11 TRASH: All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Detached Homes and streets, and shall be regularly removed from the Premises, and shall not be allowed to accumulate thereon. Garbage may not be burned on a Lot.

9.12 PLANTS: No plants, seeds, or other things or conditions harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of the Premises.

ARTICLE TEN

Declarant's Reserved Rights and Special Provisions Covering Development Period

10.01 IN GENERAL: In addition to any rights or powers reserved to the Declarant under the provisions of this Community Declaration or the By-Laws, the Declarant shall have the rights and powers set forth in this Article. Anything in this Community Declaration or the By-Laws to the contrary notwithstanding, the provisions set forth in this Article shall govern. If not sooner terminated as provided in this Article, the provisions of this Article shall terminate and be of no further force and effect from and after such time as Declarant is no longer vested with or controls title to any portion of the Development Area.

10.02 PROMOTION OF PROJECT: The Declarant shall have the right and power, within its sole discretion, to (i) construct such temporary or permanent improvements, or to do such acts or other things in, on, or to the Premises as the Declarant may, from time to time, determine to be necessary or advisable, (ii) construct and maintain model homes, sales or leasing offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as the Declarant may deem advisable and to use such model homes (including model homes which are sold by and leased back to the Declarant), sales or leasing offices or other facilities for the purpose of selling or leasing Dwelling Units on the Premises or at other properties in the general location of the Premises which are being offered for sale by the Declarant or any of its affiliates, without the payment of any fee or charge whatsoever to the Association. Declarant, its agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Community Area, at any and all reasonable times without fee or charge. The Declarant shall have the right and power to lease any Dwelling Unit owned by it to any person or entity which it deems appropriate in its sole discretion and it need not comply with the provisions of Section 9.09.

10.03 CONSTRUCTION ON PREMISES: In connection with the construction of improvements to any part of the Premises, the Declarant, its agents and contractors, shall have the right, at the Declarant's own expense, (but shall not be obligated) to make such alterations, additions or improvements to any part of the Premises including, without limitation, the construction, reconstruction or alteration of any temporary or permanent improvements to any structure which shall contain Dwelling Units, the Community Area, Association Maintained ROW and Landscape Buffer Easement Areas which the Declarant deems, in its sole discretion, to be necessary or advisable, and the landscaping, sodding or planting and replanting of any unimproved portions of the Premises, Association Maintained ROW and Landscape Buffer Easement Areas. In connection with the rights provided in the preceding sentence, the Declarant, its agents and contractors, shall have the right of ingress, egress and parking on the Premises and the right to store construction equipment and materials on the Premises without the payment of any fee or charge whatsoever.

10.04 GRANT OF EASEMENTS AND DEDICATIONS: Declarant shall have the right to dedicate portions of the Premises to the County, the Municipality or any other governmental authority which has jurisdiction over such portions. Declarant shall also have the right to reserve or grant easements over the Premises to any governmental authority, public utility or private utility for the installation and maintenance of electrical and telephone conduit and lines, gas, sewer or water lines, or any other utility services serving any Dwelling Unit.

10.05 DECLARANT CONTROL OF COMMUNITY ASSOCIATION: The first and all subsequent Boards and the first and all subsequent Detached Home Committees shall consist solely of three (3) persons from time to time designated by the Declarant, which persons may, but need not, be members under Section 5.02. Declarant's rights under this Section to designate the members of the Board and Detached Home Committee shall terminate on the first to occur of (i) such time as Declarant no longer holds or controls title to any part of the Development Area, (ii) the giving of written notice by Declarant to the Community Association of Declarant's election to terminate such rights, or (iii) fifteen (15) years from the date of Recording hereof. The date on which the Declarant's rights under this Section shall terminate shall be referred to as the "Turnover Date". From and after the Turnover Date, the Board and Detached Home Committee shall be constituted and elected as provided in the By-Laws. Prior to the Turnover Date all of the voting rights at each meeting of the Owners shall be vested exclusively in the Declarant and the Owners shall have no voting rights.

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

ARTICLE ELEVEN

Amendment

11.01 SPECIAL AMENDMENTS: Anything herein to the contrary notwithstanding, Declarant reserves the right and power to Record a special amendment ("Special Amendment") to this Community Declaration at any time and from time to time which amends this Community Declaration (i) to comply with requirements of Fannie Mae, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Dwelling Units, (iii) to correct errors, omissions, ambiguities or inconsistencies in the Community Declaration or any Exhibit, (iv) to bring the Community Declaration into compliance with applicable laws, ordinances or governmental regulations, (v) to amend Exhibit A to include additional real estate or (vi) to amend Exhibit B to add newly created Condominium Units to Section II of Exhibit B to reflect the recording of a condominium declaration or a supplement to a condominium declaration. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and Record Special Amendments. The right and power to make Special Amendments hereunder shall terminate five (5) years from such time as the Declarant no longer holds or controls title to any portion of the Development Area.

11.02 AMENDMENT: Subject to Section 11.01 and Article Thirteen, the provisions of this Community Declaration may be amended, abolished, modified, enlarged, or otherwise changed in whole or in part by the affirmative vote of Voting Members representing at least seventy-five percent of the total votes or by an instrument executed by Owners of at least seventy-five Percent (75%) of the Dwelling Units; except, that (i) the provisions of this Section 11.02 may be amended only by an instrument executed by all of the Owners and all First Mortgagees, and (ii) Article Ten, and any other provisions relating to the rights of Declarant may be amended only with the written consent of the Declarant. No amendment which removes Premises from the provisions of this Community Declaration shall be effective if as a result of such removal, an Owner of a Dwelling Unit shall no longer have the legal access to a public way from his Dwelling Unit. No amendment which affects the rights of the Municipality shall be effective unless the Municipality has given its prior written consent thereto. No amendment shall become effective until properly Recorded.

ARTICLE TWELVE

First Mortgagees Rights

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

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

(b) Any audited or unaudited financial statements of the Community Association which are prepared for the Community Association and distributed to the Owners; provided, that, if an audited statement is not available, then upon the written request of the holder, insurer or guarantor of a Mortgage, the Community Association shall permit such party to have an audited statement for the preceding fiscal year of the Community Association prepared at such party's expense;

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

(d) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Community Area.

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

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

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

The request of any such party shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Community Association.

12.02 INSURANCE PROCEEDS/CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of damage to, or destruction of, any part of the Community Area or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Community Area, any such distribution shall be made to the Owners and their respective First Mortgagees, 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, that, nothing in this Section shall be construed to deny to the Community Association the right (i) to apply insurance proceeds to repair or replace damaged Community Area or (ii) to apply proceeds of any award or settlement as a result of eminent domain proceedings as provided in Article Four.

ARTICLE THIRTEEN
Annexing Additional Property

13.01 IN GENERAL: Declarant reserves the right at any time and from time to time prior to fifteen (15) years from the date of Recording of this Community Declaration to annex, add and subject additional portions of the Development Area to the provisions of this Community Declaration as additional Premises by recording a supplement to this Community Declaration (a "Supplemental Community Declaration"), as hereinafter provided. Any portion of the Premises which is subjected to this Community Declaration by a Supplemental Community Declaration shall be referred to as "Added Premises"; any portion of any Added Premises which is made part of the Community Area shall be referred to as "Added Community Area"; any Dwelling Units contained in the Added Premises shall be referred to as "Added Dwelling Units". After the expiration of said fifteen (15) year period, Declarant may exercise the rights described herein to annex, add and subject additional portions of the Premises to the provisions of this Community Declaration, provided that the consent the Owners (by number) of two-thirds (2/3) of all Dwelling Units then subject to this Community Declaration is first obtained.

13.02 POWER TO AMEND: Declarant hereby reserves the right and power to Record a Supplemental Community Declaration, at any time and from time to time as provided in Section 13.01, which amends or supplements Exhibit B. Exhibit B may only be amended or supplemented pursuant to this Article to add portions of the Development Area to Exhibit B, identify Added Dwelling Units 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 Community Declaration. A Supplemental Community Declaration may contain such additional provisions affecting the use of the Added Premises or the rights and obligations of owners of any part or parts of the Added Premises as the Declarant deems necessary or appropriate.

13.03 EFFECT OF SUPPLEMENTAL COMMUNITY DECLARATION: Upon the Recording of a Supplemental Community Declaration by Declarant which annexes and subjects Added Premises, Added Community Area, Added Dwelling Units to this Community Declaration, as provided in this Article, then:

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

(b) Every Owner of an Added Dwelling Unit shall be a member of the Community 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 Community Declaration;

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

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

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

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

ARTICLE FOURTEEN Dispute Resolution

14.01 CONSENSUS FOR ACTION BY COMMUNITY ASSOCIATION:

(a) Except as provided in this Section, the Community Association may not commence a legal proceeding or an action under this Article without the affirmative vote of at least seventy-five percent (75%) of the Voting Members. A Voting Member representing Dwelling Unit owned by Persons other than the Voting Member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of Owners of two-thirds of the total number of Dwelling Unit represented by the Voting Member. This Section shall not apply, however, to (i) actions brought by the Community Association to enforce the provisions of the Act, this Community Declaration (including, without limitation, the foreclosure of liens), the By-Laws and reasonable rules and regulations adopted by the Board; (ii) the imposition and collection of Community Assessments and Detached Home Assessments; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Community Association in proceedings instituted against it.

(b) Prior to the Community Association or any member commencing any proceeding to which Declarant is a Party, including but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the members, or the particular member, and to

access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute.

14.02 ALTERNATIVE METHOD FOR RESOLVING DISPUTES: Declarant, its officers, directors employees and agents; the Community Association, its officers, directors and committee members; all Persons subject to this Community Declaration; and any Person not otherwise subject to this Community Declaration who agrees to submit to this Article (each such entity being referred to as a “Bound Party”) agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those Claims, grievances or disputes described in Section 14.03 (collectively, “Claims”) to the procedures set forth in Section 14.04.

14.03 CLAIMS: Unless specifically exempted below, all Claims between any of the Bound Parties regardless of how the same might have arisen or on what it might be based including, but not limited to Claims (a) arising out of or relating to the interpretation, application or enforcement of the provisions of the Act, this Community Declaration, the By-Laws and reasonable rules and regulations adopted by the Board or the rights, obligations and duties of any Bound Party under the provisions of the Act, this Community Declaration, the By-Laws and reasonable rules and regulations adopted by the Board, (b) relating to the design or construction of improvements; or (c) based upon any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party shall be subject to the provisions of Section 14.04 and, if applicable, the dispute resolution provisions of the purchase agreement for the purchase of a Lot (“Purchase Agreement”). In the event of an inconsistency or contradiction between the provisions relating to dispute resolution as set forth in this Declaration and those which are set forth in the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

Notwithstanding the foregoing, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.04:

(a) any suit by the Community Association against any Bound Party to enforce the provisions of Article Six;

(b) any suit by the Community Association or Declarant to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Community Association’s ability to act under and enforce the provisions of Article Three;

(c) any suit between or among Owners, which does not include Declarant or the Community Association as a Party, if such suit asserts a Claim which would constitute a cause of action independent of the provisions of the Act, this Community Declaration, the By-Laws and reasonable rules and regulations adopted by the Board; and

(d) any suit in which any indispensable party is not a Bound Party.

With the consent of all parties hereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.04.

14.04 MANDATORY PROCEDURES:

(a) Notice. As a condition precedent to seeking any action or remedy, a Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and the Respondent referred to herein being individually, as a "Party," or, collectively, as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(i) the nature of the Claim, including the defect or default, if any, in detail and Persons involved and Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) the proposed remedy;

(iv) any evidence that depicts the nature and cause of the Claim and the nature and extent of repairs necessary to remedy the Claim, including expert reports, photographs and videotapes; and

(v) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

Notices given to Respondent pursuant to this Section shall be deemed sufficient if personally delivered, delivered by commercial messenger service, or mailed by registered or certified mail, postage prepaid, return receipt requested to the last known address of the Respondent as it appears on the records of the Community Association on the date of mailing.

(b) Claims Involving Declarant. With respect to any Claim to which the Declarant is the Respondent:

(i) Right to Inspect. Claimant agrees to permit Declarant and its agents to perform inspections and tests and to make all repairs and replacements deemed necessary by Declarant to respond to the Claim. Declarant shall have the Cure Period (defined below) to inspect and correct any alleged default. Declarant shall be given a reasonable opportunity to perform all inspections and tests and make all repairs and/or replacements deemed to be necessary by Declarant.

(ii) Right to Cure. Declarant shall have the right to repair, replace or pay the Claimant the reasonable cost of repairing or replacing any defective item. Unless otherwise provided by law or agreed by the Parties, Declarant or Community Association, as the case may be, shall have not less than 35 days nor more than 90 days from receipt of the Notice (the "Cure Period") to cure as provided herein or to otherwise respond to the Claimant in the event that the Declarant determines that no default has occurred and/or default exists. A Claimant shall have no right to bring any action against the Declarant

until expiration of the Cure Period. The Cure Period shall be extended by any period of time that Claimant refuses to allow Declarant to perform inspections and/or perform tests as provided in subsection 14.04(b)(i). Declarant shall have the right, but not the obligation, to take action during the Cure Period and/or respond to any notice received from Claimant.

(iii) Time. The time periods provided for the inspection and cure by Declarant shall be extended by any period of time that Claimant refuses to allow Declarant to make inspections, tests, repairs and/or replacements. Any inspection, test, repair or replacement performed on a business day between 9 a.m. and 5 p.m. shall be deemed to be reasonable hereunder.

(iv) Dispute Resolution. Any dispute (whether contract, warranty, tort, statutory or otherwise), including, but not limited to (a) any and all controversies, disputes or claims arising under, or related to, the Purchase Agreement, the Lot, or any dealings between the Declarant and Owner (with the exception of “consumer products” as defined by the Magnuson-Moss Warranty-Federal Trade Commission Act, 15 U.S.C. Section 2301 et seq., and the regulations promulgated thereunder), (b) any controversy, dispute or claim arising by virtue of any representations, promises or warranties alleged to have been made by Declarant or Declarant’s representative, and (c) any personal injury or property damage alleged to have been sustained by Purchaser on the Property (hereinafter individually and collectively referred to as “disputes” or “Claims”), shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. Section 1 et seq.) and not by or in a court of law.

(v) Small Claims Court. Notwithstanding the requirement of arbitration, Claimant shall have the option, after mediation to seek relief in a small claims court for disputes or Claims within the scope of the court’s jurisdiction in lieu of proceeding with arbitration. This option does not apply to any appeal from a decision by a small claims court.

(vi) Mediation Fees. Declarant shall pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the Parties.

(vii) Arbitration Fees. The fees for any claim in an amount of \$75,000 or less shall be apportioned as provided in the Supplementary Procedures for Consumer-Related Disputes of the AAA. For claims that exceed \$75,000, the filing Party shall pay up to the first \$750 of any initial filing fee to initiated arbitration. Under the following conditions, Declarant agrees to pay up to the next \$2,000 of any initial filing fee: (1) Claimant has participated in mediation prior to initiating the arbitration; (2) the parties have mutually agreed to waive mediation; or (3) Declarant files for arbitration under Paragraph (d)(i) below. The portion of any filing fee not covered above, and any case service fee, management fee or fees of arbitrator(s), shall be shared equally by the Parties.

(viii) Declarant and Claimant agree that notwithstanding anything to the contrary, the rights and obligations set forth in this Article Twelve shall survive (1) the closing of the sale of the Unit; (2) the termination of the Purchase Agreement by either party; or (3) the default of the Purchase Agreement by either party. The waiver or invalidity of any portion of this paragraph shall not affect the validity or enforceability of the remaining portions of this paragraph. Declarant and Claimant further agree (1) that any dispute involving Declarant's affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in court of law; (2) that Declarant may, at its sole election, include its sub-contractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; (3) that the mediation and arbitration will be limited to the parties specified herein.

(c) Negotiation and Mediation.

(i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(ii) If the Parties do not resolve the Claim within 90 days after the date of the Notice and the Cure Period has expired (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), either Party shall have 30 days from the date of Termination of Negotiations to submit the Claim to mediation. The mediation shall be filed with and administered by the American Arbitration Association ("AAA") in accordance with the AAA's Supplemental Rules for Residential Construction Mediation Rules in effect on the date of the Notice. If there are no Supplemental Rules for Residential Construction Mediation Rules currently in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of the Notice shall be utilized. Unless mutually waived by the Parties, submission to mediation is a condition precedent to either Party taking further action with regard the Claim.

(iii) If a Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, then the Claimant shall be deemed to have waived the Claim, and the Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim.

(iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that the mediation was terminated.

(d) Binding Arbitration.

(i) Upon Termination of Mediation, either Party shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of AAA in accordance with the AAA's Supplemental Rules for Residential Construction Arbitration Rules in effect on the date of the Notice. If there are no Supplemental Rules for Residential Construction Arbitration Mediation Rules in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such Notice shall be utilized. Such Claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the Claim amount exceeds \$250,000 or includes a demand for punitive damages, the Claim shall be heard and determined by three arbitrators. Otherwise, unless mutually agreed to by the Parties, there shall be one arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

(ii) At the request of any Party, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of the Parties.

(e) Costs and Expenses. Except as otherwise provided under subparagraphs 14.04(b) above, each Party shall bear its own costs and expenses, including attorney's fees, for any mediation and arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable attorney's fees and expenses incurred in defending such contest. In addition, if a Party fails to abide by the terms of a mediation settlement or arbitration award, the other Party shall be awarded reasonable attorney's fees and expenses in enforcing such settlement or award.

14.05 AMENDMENT OF ARTICLE: Without the express prior written consent of Declarant, this Article may not be amended for a period of twenty years from the effective date of this Community Declaration.

ARTICLE FIFTEEN
Miscellaneous

15.01 NOTICES: Except as otherwise provided under Section 14.04, any notice required to be sent to any Owner under the provisions of this Community Declaration or the By-Laws shall be deemed to have been properly sent if (i) mailed, postage prepared, to his or its last known address as it appears on the records of the Community Association at the time of such mailing, (ii) transmitted by facsimile or e-mail to his or its facsimile number or e-mail address as either appears on the records of the Community Association at the time of such transmittal, or

(iii) when personally delivered to his or its Dwelling Unit. The date of mailing, or the date of transmission if the notice is sent by facsimile or e-mail, shall be deemed the date of service.

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

15.03 SEVERABILITY: Invalidity of all or any portion of any of the easements, restrictions, covenants, conditions, or reservations, by legislation, judgment or court order shall in no way affect any other provisions of this Community Declaration which shall, and all other provisions, remain in full force and effect.

15.04 PERPETUITIES AND OTHER INVALIDITY: If any of the options, privileges, covenants or rights created by this Community Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of George Bush, the former President of the United States.

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

15.06 TITLE HOLDING LAND TRUST: In the event title to any Dwelling Unit is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Dwelling Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all Charges and for the performance of all agreements, covenants and undertakings chargeable or created under this Community 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.

15.07 WAIVER OF IMPLIED WARRANTY OF HABITABILITY: Illinois courts have held that every contract for the construction of a new home in Illinois carries with it a warranty

that when completed, the home will be free of defects and will be fit for its intended use as a home. The courts have also held that this "Implied Warranty of Habitability" does not have to be in writing to be a part of the contract and that it covers not only structural and mechanical defects such as may be found in the foundation, roof, masonry, heating, electrical and plumbing, but it also covers any defect in workmanship which may not easily be seen by the buyer. However, the courts have also held that a seller-builder and buyer may agree in writing that the Implied Warranty of Habitability is not included as a part of their particular contract. Each buyer of a Dwelling Unit from Declarant agreed in the purchase contract that the Declarant has excluded and disclaimed the Implied Warranty of Habitability and all other implied warranties, whether created judicially, statutorily or by common law, including the implied warranty of fitness for a particular purpose. Such exclusion and disclaimer shall apply to and bind any subsequent Owner of a Dwelling Unit and, accordingly, no Owner of a Dwelling Unit shall be able to assert a claim against Declarant for a breach of the Implied Warranty of Habitability or any other implied warranty.

Dated: April 20, 2005

DECLARANT:

HAVERFORD VENTURE L.L.C., an Illinois
limited liability company

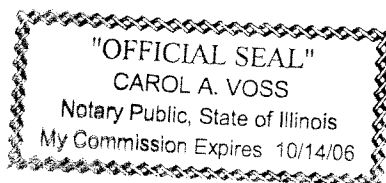
By: _____

Its: _____

STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

The undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Debra A. Haddock, personally known to be the same person whose name is subscribed to the foregoing instrument as such, appeared before me this day in person and acknowledged that he/she signed and delivered said instrument as his/her own free and voluntary act, and as the free and voluntary act of Haverford Venture L.L.C., for the uses and purposes therein set forth.

GIVEN under my hand and Notarial seal this 20th day of April, 2005.



Carol A. Voss
Notary Public

CONSENT OF MORTGAGEE

LaSalle Bank National Association, as holder of a mortgage dated 3/04, and recorded in the office of the Recorder of Deeds of Cook County, Illinois, on 3/29/04, as Document No. 0408930239 with respect to the Premises, hereby consents to the Recording of this Declaration to which this Consent is attached and agrees that its mortgage shall be subject to the terms of this Declaration.

Dated: April 25, 2005

LASALLE BANK NATIONAL ASSOCIATION

ATTEST:

By: _____

Its: Senior V.P.

By: _____

Its: GSVP

STATE OF ILLINOIS)

) SS.

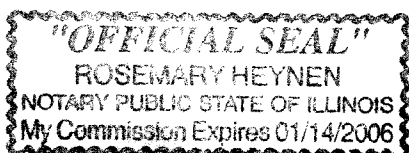
COUNTY OF Will)

The undersigned, a Notary Public in and for said County and State, do hereby certify that Geoffrey Koss and F. Blake Cronin, the GSVP and SVP respectively, of LaSalle Bank National Association ("Lender"), and, as such GSVP and SVP appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 25 day of April, 2005.

Rosemary Heynen
Notary Public

My Commission Expires: 1/14/06



**EXHIBIT A TO
COMMUNITY DECLARATION FOR HAVERFORD**

The Development Area

All Lots in Haverford, being a resubdivision in Section 23, Township 42 North, Range 12 East of the Third Principal Meridian, all in Cook County, Illinois, pursuant to the plat thereof recorded in Cook County, Illinois, on June 24, 2004, as Document No. 0417632059.

**EXHIBIT B TO
COMMUNITY DECLARATION FOR HAVERFORD**

The Premises

I. THE PREMISES

Lots 1 through 50, both inclusive, Lots A and B and Lots D through N, both inclusive, in Haverford, being a resubdivision in Section 23, Township 42 North, Range 12 East of the Third Principal Meridian, all in Cook County, Illinois, pursuant to the plat thereof recorded in Cook County, Illinois, on June 24, 2004, as Document No. 0417632059 (the "Haverford Subdivision").

II. DWELLING UNITS

A. LOTS IMPROVED WITH DETACHED HOMES.

Lots 1 through 50, both inclusive in the Haverford Subdivision.

B. CONDOMINIUM UNITS

None at this time.

III. COMMUNITY AREA

Lots A and B and Lots D through N, both inclusive, in the Haverford Subdivision.

IV. ASSOCIATION MAINTAINED ROW

All landscaping and improvements, including streetlights, located on cul de sac islands and boulevards in the Development, to the extent not maintained by the Municipality.

V. RETAINING WALL LOT

None at this time.

PIN: 04-23-101-010

ADDRESS: Various addresses on Aberdeen Drive and Summit Drive, in Glenview, Illinois.