

MARY ANN STUKEL

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Will County Recorder

Will County

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RECORDER'S STAMP

THE COURTYARDS OF KIPLING ESTATES DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS

COPY

Prepared by and after recording,
mail to:

Herbert A. Kessel
Beermann, Swerdlove, Woloshin,
Barezky, Becker, Genin & London
161 North Clark Street, #2600
Chicago, Illinois 60601-3221
(312) 621-9700

THIS DECLARATION is made and entered into by McCoy Farm, L.L.C., an Illinois limited liability company, (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner and legal title holder of certain real estate in the Village of Shorewood, County of Will, State of Illinois, which real estate is legally described in Exhibit A attached hereto and by this reference made a part hereof; and

WHEREAS, Declarant presently intends to develop a parcel of land which will contain a development containing Dwelling Units, as hereinafter defined, together with certain common areas which will require uniformity and continuing care and maintenance for the privacy, benefit and enjoyment of all persons owning and residing in the Dwelling Units on the Property, as hereinafter defined ("Development"); and

WHEREAS, the Declarant has deemed it desirable for the efficient preservation of the values and amenities of the proposed development to create an entity to which shall be delegated and assigned the powers of owning, maintaining and administering the Common Area, as hereinafter described and defined, and administering and enforcing the covenants and restrictions hereinafter contained and created; and

WHEREAS, there has been incorporated under the laws of the State of Illinois, as a not-for-profit corporation, The Courtyards of Kipling Estates Homeowners' Association for the purpose of exercising the functions aforesaid; and

WHEREAS, the Declarant desires to establish for its own benefit and the mutual benefit of all future owners, tenants and occupants of the aforesaid development and real estate and any part thereof, certain easements or rights in, over, under, upon and along said development and real estate and certain mutually beneficial restrictions and obligations with respect to the use, conduct and maintenance thereof:

NOW, THEREFORE, the Declarant hereby declares that only the real estate described in Exhibit "A" and such additions thereto as may hereinafter be made, shall be transferred, held, sold, conveyed and accepted subject to this Declaration of Covenants, Conditions, Restrictions and Easements. The Declarant does hereby further declare that the following easements, covenants, restrictions, conditions and burdens, uses, privileges, charges and liens shall: (1) exist at all times hereafter amongst all parties having or acquired right, title or interest in any portions of the real estate; (2) be binding upon and inure to the benefit of each Owner (as hereinafter defined); and (3) run with the land subjected to this Declaration, to be held, sold and conveyed subject thereto.

ARTICLE I
DEFINITIONS

Section 1.01. "Association" shall mean and refer to The Courtyards of Kipling Estates Homeowners Association, an Illinois not-for-profit corporation. Said corporation shall be the governing body for all the Owners with respect to the administration, maintenance, repair and replacement of the Common Area as provided by this Declaration and the By-Laws.

Section 1.02. "Property" shall mean and refer to that certain real estate described in Exhibit "A" and such additional parcels of land as may be subjected to the terms of this Declaration in accordance with Article X hereof..

Section 1.03. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of all members of the Association, except for those portions reserved for the exclusive use of certain Owners as hereinafter set forth and such uses thereto by way of easement or other grant from the Declarant, the Association or others as may be granted to or by the Association for the common use and enjoyment of the Owners. The Common Area to be conveyed to and owned by the Association is hereinafter legally described in Exhibit D attached hereto and by this reference made a part hereof and such additions thereto as may hereafter be brought within the jurisdiction of or conveyed to the Association. the Common Area shall be maintained by the Association. An easement is hereby granted to the Association for ingress and egress over such portions of the Property as may be necessary for the maintenance and repair of the Common Area.

Section 1.04. "Dwelling Unit" shall mean a residential housing unit on the Property consisting of a group of rooms and which are designed or intended for the exclusive use as living quarters for one Family, as hereinafter defined.

Section 1.05. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, as hereinafter defined, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The term "Owner" shall include the Declarant to the extent of the number of Lots owned by Declarant and also includes the interest of the Declarant as contract seller of any Lot.

Section 1.06. "Member" shall mean and refer to any person or entity who holds membership in the Association.

Section 1.07. "Declarant" shall mean and refer to McCoy Farm, L.L.C., an Illinois limited liability company, its successors and assigns.

Section 1.08. "Lots" shall mean and refer to a platted Lot or a portion of a platted Lot designated as such upon any recorded subdivision plat of the Property or any portion thereof upon which an individual Dwelling Unit is constructed or to be constructed.

Portions of the Property designated as Outlots ("Outlots"), if any, in the recorded subdivision plat of the Property shall not be deemed "Lots" for the purpose of this Declaration.

Section 1.09. "Board" shall mean the Board of Directors of the Association as constituted at any time or from time to time, in accordance with the applicable provision of Article III.

Section 1.10. "Occupant" shall mean any person or persons other than the Owner in possession of a Dwelling Unit.

Section 1.11. "Family" shall mean one or more persons each related to the other by blood, marriage, or legal adoption, or a group of not more than two (2) persons not all so related, together with his or their domestic servants, maintaining a common household in a Dwelling Unit.

Section 1.12. "By-Laws" shall mean the By-Laws of The Courtyards of Kipling Estates Homeowners' Association, a copy of which is attached as Exhibit "B" hereto and by this reference made a part hereof.

Section 1.13. "Declaration" shall mean this The Courtyards of Kipling Estates Declaration of Covenants, Conditions, Restrictions and Easements.

Section 1.14. "Transfer Date" shall mean the date which is the earlier of: (i) five (5) years after the first Lot is conveyed to an Owner other than the Declarant, or (ii) upon written notice of election by Declarant to the Association as of the date specified in said notice or (iii) upon the sale and conveyance of eighty-five (85%) percent of the Lots to bona-fide purchasers other than those Owners to whom Declarant Rights have been assigned. For purposes of Section 1.14(iii), the term "Lot" shall include all platted lots contained within the Property and the Additional Parcel.

Section 1.15. "Village" shall mean the Village of Shorewood, a municipal corporation, its elected and appointed officials, officers, agents and employees.

Section 1.16. "Structure" shall mean any building or other improvement erected and constructed, the use of which requires more or less permanent location on or in the ground or attached to something having a permanent location on or in the ground.

Section 1.17. "Homeowner's Declaration" shall mean that certain Declaration of Easements, Restrictions and Covenants for Kipling Estates recorded in the Office of the Recorder of Will County, Illinois as Document No. R1999142688, as amended from time to time.

Section 1.18. "Declarant Rights" shall mean any and all rights, powers and privileges reserved, granted or otherwise provided for herein which may be exercised by, or which benefit only, the Declarant.

Section 1.19 "Additional Parcel" shall mean and refer to the real property described on Exhibit C attached hereto and all improvements thereon, together with such other additional property and all improvements thereon as Declarant shall require from time to time and shall desire to subject to the terms of this Declaration and by amendment to Exhibit C hereto recorded in the Office of the Recorder of Deeds of Will County, Illinois include within the Property described on Exhibit C.

Section 1.20 "Material Amendment" shall mean any amendment to the Declaration, By-Laws or the Association's Articles of Incorporation that would change any of the following in a manner other than as expressly provided herein: voting rights in the Association; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of the Common Area; responsibility for the maintenance and repair of the Common Area; allocation of interests in the Common Area, or rights to use the Common Area; boundaries of any Lot or Dwelling Unit; convertibility of Lots into Common Area, or convertibility of Common Area into Lots; expansion or contraction of the Property, or the addition, annexation or withdrawal of property from the Property; insurance or fidelity bonds; leasing of Dwelling Units; imposition of any restrictions on an Owner's right to sell or transfer his or her Lot or Dwelling Unit; a decision by the Association to establish self-management when professional management had previously been required by an Eligible Mortgage Holder; requirements for the restoration or repair of the Property; termination of the legal status of the Association or the Property following substantial destruction or condemnation; or any provisions that expressly benefit holders, insurers or guarantors of mortgages secured by portions of the Property.

Section 1.21 "Eligible Mortgage Holder" shall mean each holder of a first mortgage on a Lot or Dwelling Unit that has requested in writing that the Association notify it of any proposed action that requires consent of a specified percentage of mortgage holders.

ARTICLE II MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot shall automatically be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Lots. Voting rights with regard to each Member are set forth in Article III hereof.

ARTICLE III
VOTING RIGHTS AND BOARD OF DIRECTORS

Section 3.01. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Article II, provided that the Declarant shall not be a Class A Member until the Transfer Date. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article II. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. All Members holding any interest in a single Lot shall together be entitled to cast only one vote for the Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article II, provided that the Class B membership shall cease and be converted to Class A membership on the Transfer Date.

Section 3.02. The provisions of Section 3.01 hereof shall be mandatory. No owner of any interest in any Lot shall have any right or power to disclaim, terminate or withdraw from his membership in the Association or any of his obligations as such Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such owner shall be of any force or effect for any purpose.

Section 3.03. The Association shall have a Board of not less than three (3) Directors who shall be elected by the Members of the Association at such intervals as the corporate charter and By-Laws of the Association shall provide, except that vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled by the Board by majority vote if so provided by the articles of incorporation or By-Laws and that the first Board may be appointed by the Declarant and shall be three (3) in number. The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board who shall manage and conduct the affairs of the Association under the direction of the Board. Except as expressly otherwise provided by the Association's articles of incorporation, this Declaration or the By-Laws, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in its Board from time to time and its officers under the direction of the Board, and shall not be subject to any requirement of approval on the part of its Members. The articles of incorporation and By-Laws of the Association may include such provisions for the protection and indemnification of its officers and directors as shall be permissible by law.

Section 3.04. The Association, being a not-for-profit corporation, shall not distribute to its Members any sums in the nature of dividends upon its shares. To the extent that funds shall not be required for current expenditures or for such reserves, the next monthly assessments may, in the discretion of the Board, be eliminated or the amount thereof

appropriately reduced. Such reduction shall not prevent reinstatement of or increase in such assessments when required.

Section 3.05. Whenever possible, the Association shall perform its functions and carry out its duties by entering into agreements for the performance thereof with such persons and business entities regularly engaged in the performance of generally similar functions and duties as the Board shall determine, which agreements shall be for such length of time, at such rates of compensation and upon such other terms and provisions as the Board shall determine from time to time. Such persons or business entities may, but need not, be persons or business entities owning or otherwise directly or indirectly interested in the Property or any part thereof. The Association itself shall also have power to perform its functions and carry out its duties.

Section 3.06. The Association, through the resolutions of the Board, shall have the right to adopt rules and regulations governing the Lots and Common Area and the use thereof provided, however, that no rule or regulation shall conflict with the Declaration or any applicable laws, ordinances or codes.

Section 3.07. A copy of this Declaration, the By-Laws and the Association's books, records and financial statements to be kept by the Board shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, the Village, or any holder, insurer or guarantor of a first mortgage lien on a Lot at such reasonable time or times during the normal business hours as may be requested by the Owner or by the holder of said first mortgage lien.

ARTICLE IV

PROVISIONS RELATING TO THE COMMON AREA

Section 4.01 Every Owner shall have a right and easement in, over, upon and to the Common Area for purposes of vehicular and pedestrian ingress and egress and use of the open spaces and other common facilities and the Common Area shall be held for the use and benefit of each Owner, and such easement shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

- (a) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast sixty-seven percent (67%) of the votes to the Class B membership, if any, has been recorded, agreeing to such dedication or transfer. In the event Class B membership has ceased, then sixty-seven percent (67%) of the votes to the Class A membership shall be required to make such dedication or transfer effective.

(b) As part of the overall program of development of the Property into a residential community and to encourage the marketing and construction thereof, the Developer and its contractors, subcontractors, and their respective agents and employees shall, for sales and construction purposes only, have the right of use of certain Lots and the Common Area and facilities thereof without charge during the sales and construction period on the Property to and in its construction and marketing.

(c) Each Owner shall be entitled to the exclusive use and possession of that portion of the driveway and any patio, stairs and deck falling within the Common Area which is contiguous to and serves his Lot except as otherwise provided herein.

Section 4.02 Each Owner and their tenants, guests and invitees shall have a right and easement in, over, upon and to the sidewalks located in the Common Area for the purposes of pedestrian ingress and egress.

Section 4.03 There shall be upon the Common Area such driveways or portions thereof and walks as shall be necessary to provide ingress and egress to and from the Lots for the use and benefit of the Owners of the Lots and their guests and invitees and such landscaping and walks and spaces for the parking of motor vehicles as the Declarant or the Association or Board shall from time to time determine and shall be in compliance with such governmental laws, ordinances and regulations as shall be in effect during the development of the Property. There may also be upon the Common Area such facilities and structures as shall be reasonably necessary for the carrying out of the duties imposed upon the Association hereunder, or as in the Association may determine to erect from time to time.

Section 4.04 An irrevocable license and easement is hereby granted to the Village and police, fire, water, health and other authorized officials, employees and vehicles of the Village, to go upon the Common Area at any time and from time to time for the purpose of performance of official duties and for the purpose of enforcing this Declaration and all Village ordinances, rules and regulations, and the statutes of the State of Illinois and the United States. In addition, duly designated officials and employees of the Village are hereby granted an easement to enter upon, on and over the Common Area for the purposes of maintaining, except as otherwise provided hereunder, the storm water detention area, drainage systems, storm and sanitary sewers, water mains, streets, sidewalks and any other utility or public service and to correct or eliminate nuisances or violations resulting from the failure to exercise maintenance responsibilities by the Developer or its successors and assigns, any Owner or the Association, as applicable. Except in the event of emergency situations, the Village shall serve written notice upon the Association setting forth the manner in which the Association has failed to comply with its obligations under this Declaration under any source of law. Said notice shall include a demand that such deficiency be cured within said thirty (30) days from the date such notice is received. If such deficiency has not been cured within said thirty (30) days or any extension thereof granted by the Village, the Village may exercise said easement by entering the Common Area and performing such maintenance or repair. The Association shall reimburse the Village from all expenses incurred by it in performing such maintenance or repair. Said easement shall be exercised only to the extent and for such period of time that the maintenance or repair is required to accomplish the purpose hereinabove mentioned. It is the intention of this Section 4.04 to provide that the obligation for maintenance and repair of those main utility lines which

service the Property (water, storm sewer and sanitary sewer) shall be borne by the Village and that the obligation for maintenance and repair of all other portions of the Common Area, including those lines which service individual Dwelling Units (storm sewer, sanitary sewer and water) shall be borne by the Association. The Village shall be under no obligation to exercise the rights herein granted except as it shall determine to be in its best interest. No failure to exercise any right herein granted to the Village shall be construed as a waiver of that or any other rights.

Section 4.05 Any owner may delegate, in accordance with the By-Laws, his right of ingress and egress to the Common Area to the members of his family, occupants, guests, invitees, or contract purchasers who reside on the Property.

Section 4.06 The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association subject, however, to the provisions of Section 4.01 (a) hereof. Declarant shall reserve, upon conveyance to the Association of the Common Area, a perpetual and non-exclusive easement for egress and ingress in, to and from each Lot which it shall grant to each Lot upon the conveyance thereof.

Section 4.07 Declarant, its beneficiary, agents, employees, guests and invitees shall have the right and easement of ingress and egress in, over, upon under and across the Common Area for sales and construction purposes until Declarant has conveyed all of the Lots to the purchasers thereof.

Section 4.08 (a) The Association shall have the right and duty to build, repair and maintain the Common Area.

(b) The Association shall have the right of ingress and egress over and upon the Common Area for any and all purposes in connection with the use, maintenance, construction, operation, repair and reconstruction of the Common Area.

(c) The Association, through resolutions of the Board, shall have the right to adopt rules and regulations governing the use, maintenance and administration of the Common Area and for the health, comfort, safety and general welfare of persons using the Common Area.

Section 4.09 Notwithstanding any provisions herein to the contrary, the easements herein created shall be subject to:

(a) The right of Declarant to execute all documents and do all other acts and things affecting the Property which, in the Declarant's judgment, are reasonably necessary to develop the Property.

(b) Easements of record on the date hereof, including those easements granted on the Plat of Subdivision for the Property recorded in the Office of the Recorder of Will County, Illinois, and any easements which may hereafter be granted by Declarant or the Association to any public utilities or governmental bodies for the installation and maintenance of electrical and telephone conduit and lines, gas pipes, sewers or water mains

and pipes, or any other utility services serving any Lot and to any provider of cable television service.

Section 4.10 Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to or for the public use or purpose whatsoever.

Section 4.11 Easements for serving the Common Area and other properties with public utilities and municipal services are hereby granted to Commonwealth Edison Company, Northern Illinois Gas Company, Ameritech, the Village, and all other suppliers of utilities serving the Common Area and the respective successors and assigns, jointly and severally to install, lay, construct, renew, operate, maintain or remove, from time to time, conduits, cables, pipes, wire transformers, switching apparatus and other facilities and appurtenances used in connection with serving the Common Area and adjacent property with telephone communications, electric, sewer, gas, water, drainage, cable television, or other municipal services, upon, across and under the Common Area; provided, however, that all such public utilities shall be installed underground. Notwithstanding any code or ordinance provision which may provide otherwise, no public utility shall be installed over-the-ground and nothing herein shall be deemed or construed as permitting over-the-ground utilities.

Section 4.12 All areas of and facilities upon the Common Area, including, but not limited to, all open space, all driveways and parking areas, and all landscaping shall be maintained by the Association in such a manner as to ensure the proper use and functioning of such areas as facilities as originally designated and/or constructed.

ARTICLE V MAINTENANCE OF DWELLING UNITS

Section 5.01 The Association shall determine the need for and may carry out or cause to be performed all maintenance and repair to the exteriors of the Dwelling Units including, without limitation, garage exteriors, roofs, siding and trim, gutters and downspouts, fences, if any, patio areas, if any, wooden decks, if any, walkways and driveways located on or serving a Lot, made necessary and desirable in the sole discretion of the Association as a result of natural or ordinary wear and deterioration. The Association shall, in addition, determine the need for and shall carry out or cause to be performed all such maintenance and repair of all gas, telephone and electrical lines incorporated in and forming a part of the Dwelling Units as originally constructed that service more than one Dwelling Unit. Such maintenance and repair shall not include any maintenance or repair of any furnaces, water heaters, stoves, refrigerators, washing machines or household appliances, sump pumps, glass surfaces, windows and patio doors, front entry and garage doors, electrical fixtures, air conditioners and compressors, or any other portion of said unit which services only one Dwelling Unit or the interior of any Dwelling Unit or portion thereof. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Lot is subject. The Association shall, in addition, be responsible for the proper maintenance of all landscaping

located on the Common Area including, but not limited to, mowing the grass areas and the proper maintenance of all access roads and streets including the snowplowing of all sidewalks and streets located within the Common Area and the storage of such snow on the Common Area. The obligations of the Association as contained in this Section 5.01 shall be limited, however, to the extent that there are funds available in the Association's account from the assessments collected pursuant to Article VI hereof. The Association shall have the right to assess each and every Owner for any costs incurred in connection with the maintenance and repair of the patio areas and/or wooden decks. The Association shall be responsible for the maintenance and repair of any underground sprinkling system located upon the Property.

Section 5.02 The Association shall pay, as agent and on behalf of the Owners and out of the funds furnished to it by them for such purpose, all tax and other governmental impositions levied upon the Common Area or any part thereof.

Section 5.03 Each Owner shall have the obligation to maintain in good condition and repair his glass surfaces, windows, front entry and garage doors, and electrical fixtures. Upon the failure of any Owner to maintain those areas that are not the maintenance responsibility of the Association, the Association, through its agents and employees, is hereby granted the right to enter upon the Lot and into the Dwelling Unit thereon and make such reasonable repairs, maintenance, rehabilitation or restoration of the premises as may be necessary, and the costs thereof shall become a lien upon the Lot in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments.

Section 5.04 The Association shall provide for the maintenance of the Lot planting which has been offered by the Declarant in the sale of the Lot. In the event the Owner installs his own planting within his Lot, the Association shall have the right to assess each Owner for any additional cost in providing for the maintenance of such planting.

Section 5.05 The Association shall have the right to draw water from individual Dwelling Units as required for the efficient performance of its duties hereunder. The Association shall pay for all such water bills incurred on the Property and each Owner shall be assessed for an equal share of said bills.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 6.01. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments to be fixed, established and collected from time to time as hereinafter provided, and (2) special assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interests, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due.

Section 6.02. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of such Common Area, and of the maintenance of the exteriors of the Dwelling Units (except as otherwise provided herein) situated upon the Property. Such uses shall include, but are not limited to, the cost to the Association of all taxes, insurance, repair, replacement and maintenance of the Common Area. If any other charges required by this Declaration or that the Board shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve fund for repair, maintenance, replacements, taxes, and other charges as specified herein which benefit the Common Area are directly charged to any Owner, the Association will reimburse such Owner for any such expense. The Board reserves the right to levy additional assessments against any Owner to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund. At the time of closing of the sale of each Lot by the Declarant, the Owner shall pay an amount as determined by the Declarant which shall be used and applied as a working capital fund in the manner herein provided. Furthermore, no provision of this Declaration shall be construed to require the payment by the Association of real estate taxes on any Lot upon which a Dwelling Unit is constructed and a portion of the Common Area is located.

Section 6.03. The Board, at its option, shall be authorized to fix the annual assessment in an amount sufficient to meet the costs and expenses as contained in Section 6.02 hereof.

Section 6.04. In addition to the annual assessments authorized above the, Association may levy in any assessment year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, maintenance or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, if any.

Section 6.05. Both annual and special assessments, if any, must be fixed at a uniform rate for all Lots, except for certain Lots as provided in Section 6.09 hereof, and shall be collected on a monthly basis or as otherwise directed by the Association.

Section 6.06. The annual assessments provided for herein, at the option of the Board, shall commence for all Lots within the Property on the first day of the month following the conveyance of the first Lot, except as otherwise provided in Section 6.09 hereof. The Board shall fix the amount of the annual assessment, if any, against each Lot at least thirty (30) days in advance of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed amount of annual assessment shall be due on the first day of the month immediately preceding the effective date of the changed assessment. An Owner shall first be liable for payment of the full monthly assessment, if any, on the 1st day of the month following conveyance of title to him. The Association shall upon demand at any time furnish a certificate in writing signed by

an officer or agent of the Association setting forth whether the assessments on a specified Lot have been paid and, if not paid, the amount of any such deficiency. Such certificate shall be conclusive evidence of payment of any assessment therein.

Section 6.07. Any assessments which are not paid when due shall be delinquent. Such assessments, interest and all costs of collection shall be a continuing lien upon the Lot against which each such assessment was made. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate allowed by law, and the Association may bring an action at law or in equity against the Owner personally obligated to pay the same, or foreclose the lien against the respective Lot and interest, costs and reasonable attorneys fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property.

Section 6.08. Any lien which has been or will be created pursuant to the terms and conditions of this Declaration shall (a) be subordinate to the lien of any first mortgage which is placed upon the Property or a Dwelling Unit, and (b) not be effective unless said lien is recorded in the Office of the Recorder of Will County, Illinois and (i) shall set forth who or whom is claiming the lien, (ii) the address of the lienor, (iii) the amount of the lien, and (iv) the Section of the Declaration under which the lienor is claiming the lien. Any sale or transfer of all or any portion of the Property or Dwelling Unit pursuant to a mortgage foreclosure or other proceedings in lieu thereof regarding any first mortgage affecting any portion of the Property or Dwelling Unit shall extinguish any existing lien or the right to lien which arose prior to the sale or transfer. Notwithstanding any other terms and conditions of this Declaration, this Section may not be amended or deleted without the written approval of all first mortgage lien holders, which consent shall be recorded in the Office of the Recorder of Will County, Illinois.

Section 6.09. With regard to any unimproved Lots owned by Declarant or Lots upon which Dwelling Units are being constructed or have been completed and title has not been conveyed by Declarant, the assessment respecting any such Lot shall be limited to the aggregate amount of actual operating expenses from time to time required to be paid with respect to such Lot provided, however, that in the event Declarant enters into a lease or installment contract for any Lot, then Declarant shall, as of the first day of such lease or contract, be responsible for the payment of all assessments on those Lots on the same basis as any other Owner as provided in this Article. Actual operating expenses shall mean those ordinary expenses attributable only to the period in question covering the maintenance and operation of the Property and shall not include capital expenditures, amounts set aside as a reserve for contingencies or replacements, repair items or inventory items to the extent attributable to subsequent periods. The Declarant hereby agrees to satisfy any deficit or shortage in the Association's operating budget for any period in which the Declarant has paid

Estates Association to collect any assessments levied hereunder and to remit same to the Association.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

All Owners shall maintain, occupy and use their Dwelling Units and the Common Area only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Members.

The Board shall have full authority to enforce all such rules and regulations by taking all action as may be necessary.

ARTICLE VIII

COMMITTEES

8.01 Board Committees. The Board, by resolution adopted by a majority of the directors in office, may designate one (1) or more committees, each of which shall consist of one (1) or more directors; said committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and the delegation thereof of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him by law.

8.02 Special Committees. Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members, and the President of the Association shall appoint the members thereof. Any member thereof may be removed whenever in the Board's judgment the best interests of the Association shall be served by such removal.

8.03 Term. Each member of the committee shall continue as such until the next annual meeting of the Board and until his successor is appointed and shall have qualified, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

8.04 Chairman. One (1) member of each committee shall be appointed chairman.

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

such notice of further assessment. All such Owners shall be obligated to pay the adjusted monthly amount. At the time of the closing of the sale of each Lot by the Declarant, the Owner shall pay an amount as determined by the Declarant which shall be used and applied as a working capital fund in the manner herein provided.

6.03 Budget for First Year. When the first Board elected hereunder (or appointed by the Declarant) takes office, it shall determine the Estimated Cash Requirement, as hereinabove defined, for the period commencing on the first day of the month following the conveyance of the first Lot and ending on December 31 of the calendar year following said conveyance. The initial Estimated Cash Requirement, at the option of the Board, shall be divided among the remaining monthly installments of such calendar year and assessed equally to all Owners, other than the Declarant.

6.04 Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on an Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge, if any, at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

6.05 Books and Records. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing or any holder, insurer or guarantor of a first mortgage secured by any portion of the Property at such reasonable time or times during normal business hours as may be requested by such Owner or his representative or such holder, insurer or guarantor. Upon ten (10) days notice to the Board, any Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessment or other charges due and owing from such Owner. In addition, the Board shall provide for the preceding fiscal year upon the written request of any holder, insurer or guarantor of a first mortgage secured by any portion of the Property any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Owners at the end of each of its respective fiscal years, provided, however, that in the event an audited financial statement is not available, 51% or more of the first mortgagees (by number) shall upon request, be entitled to have such an audited statement prepared at their expense.

6.06 Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Owners and for

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

8.07 Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

ARTICLE IX INTERIM PROCEDURE

Until the initial meeting of the Members, the Declarant (or its designee) may appoint the Board which shall have the same powers and authority as given to the Board generally.

ARTICLE X AMENDMENTS

These By-Laws may be amended or modified from time to time by an instrument signed by those Members (Class A and Class B) entitled to cast fifty-one percent (51%) of the total votes in the Association. Such amendments shall be recorded in the Office of the Recorder of Will County, Illinois.

ARTICLE XI DEFINITION OF TERMS

The terms used in these By-Laws shall have the same definition as set forth in the Declaration to which these By-Laws are attached to the extent such terms are defined therein.

such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held in trust for the benefit, use and account of all the Owners, other than the Declarant. All funds not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

6.07 Remedies for Failure to Pay Assessments. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate then allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided, shall be and become a lien or charge against the Lot of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against the real estate. Unless otherwise provided in the Declaration, the members of the Board and their successors in office, acting on behalf of the other Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. The lien of the assessments provided for herein shall be subordinate to the lien of any first or prior recorded mortgage now or hereafter placed on the Lots provided, however, that such prior recorded mortgage shall be subject to the lien of all unpaid assessments with respect to such Lot which became due and payable subsequent to the date the holder of said mortgage takes possession of the Lot, accepts a conveyance of any interest in the Lot or has a receiver appointed in a suit to foreclose his lien.

6.08 Exempt Lots. With regard to any Lots upon which Dwelling Units are being constructed or have been completed and title has not been conveyed by Declarant, the assessment respecting any such Lot shall be limited to the aggregate amount of actual operating expenses from time to time required to be paid with respect to such Lot, provided, however, that in the event Declarant enters into a lease or installment contract for any Lot, then Declarant shall be responsible for the payment of assessments on those Lots on the same basis as any other Owner as provided in Section 6.01 hereof. Actual operating expenses shall mean those ordinary expenses attributable only to the period in question covering the maintenance and operation of the Property and shall not include capital expenditures, amounts set aside as a reserve for contingencies or replacements, prepaid items or inventory items to the extent attributable to subsequent periods.

6.09 Right to Collect Assessments. If the Board determines in its sole discretion that the amount deposited by the Owners at the time of closing of the sale from Declarant is not sufficient, then the Board may exercise its right to collect assessments as provided herein. The Board may also elect to authorize the Kipling

and assigns. In the event such Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien shall be foreclosed against the Lot by the Association in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien in this Section 7.10 provided for shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Lot.

Section 7.11 In the event of any damage or destruction to the exterior portion of a Dwelling Unit and the loss is covered by policies of insurance, the Board shall have the authority to settle and adjust any claim under such policies without the consent of the respective Owner.

ARTICLE VIII INTERIM PROCEDURE

Section 8.01. Until each of the various Lots shall have been conveyed by the Declarant to the first Owner thereof (or to such Owner's nominee), the Declarant shall, with respect to each such unsold Lot, have all the rights granted to and obligations imposed upon the Owners.

Section 8.02. Until the initial meeting of the Members, the Declarant (or its designees) may appoint the Board which shall have the same powers and authority as given to the Board generally.

Section 8.03. The powers granted to the Declarant by Section 8.02 hereof shall include, without limitation, the power to assess upon and collect from the individual Owners, their respective proportionate shares of the funds required for the carrying out of all the duties and obligations of the Association.

ARTICLE IX RESTRICTIONS RELATING TO PROPERTY

Section 9.01. No Structure, landscaping or other improvement shall be commenced or allowed on any portion of the Property unless it complies with the provisions of this Declaration. All Structures on the Property shall be of new construction.

Section 9.02. The Lots shall be used only for residential purposes, as a private residence, and no professional, business or commercial use shall be made of the same or any portion thereof, nor shall any resident's use of a Lot endanger the health or disturb the reasonable enjoyment of any other Owner or resident,, except that professional and quasi-professional persons may use their residence as an ancillary or secondary facility to an office elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a resident from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly

declared customarily incident to the principal residential use and not in violation of said restrictions. This Section 9.02 shall also not be deemed to prohibit an Owner from caring for no more than four (4) unrelated children at any time within such Owner's Dwelling Unit.

Section 9.03. No Structures (except as otherwise permitted by the By-laws) other than an attached residence for a single family occupancy shall be constructed on each Lot. No tool or storage sheds, satellite dishes (except as otherwise allowed under the Homeowner's Declaration), above-ground swimming pools, animal houses (unless approved by the Board) or other structures (except the single family residence referred to in the preceding sentence) shall be constructed on any Lot. No permanent basketball structures shall be permitted within the front yard of any Lot. 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 (a) the Dwelling Unit on such Lot or (b) the remainder of the Dwelling Units on the Property. In addition, any construction undertaken upon any Lot must be completed within nine (9) months of the date of commencement of said construction.

Section 9.04. All Structures shall be constructed in accordance with applicable governmental building codes and zoning ordinances of the Village. If and to the extent there is any conflict between this Declaration and the provisions of any ordinances, codes, rules and regulations of the Village, such conflict shall be resolved by the application of the more stringent provision as between this Declaration and such ordinance, code, rules and regulations of the Village.

Section 9.05. Except as otherwise provided by Section 9.07 hereof, no structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used as a residence or for any other purpose, either temporarily or permanently.

Section 9.06. No advertising sign (except one "For Sale" sign not exceeding 2' x 2' in size), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on any Dwelling Unit or Lot, except as provided in Section 9.07 hereof and except that during the two (2) week period prior to and during the one (1) week period subsequent to, a primary or general election, one (1) political sign may be maintained on an individual Lot or the Dwelling.

Section 9.07. The Declarant may maintain, while engaged in construction and sales activities, in or upon such portions of the Property as Declarant shall determine, such temporary facilities as in its sole discretion may be necessary or convenient including, but without limitation, offices, storage areas, model units, signs, temporary fencing, monuments and sales and construction trailers.

Section 9.08. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs and cats (not to exceed a total of four (4) such pets) or other common household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purposes.

Section 9.09. All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Dwelling Units and streets, and shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. Garbage may not be burned on the Lots.

Section 9.10. Drying of clothes shall be confined to the interior of the Dwelling Units. No clothes, sheets, laundry, blankets or other articles of clothing shall be hung out in any portion of the Property

Section 9.11. An Owner of a Lot shall do no act nor allow any condition to exist which will adversely affect the other Lots or their Owners.

Section 9.12. Intentionally omitted.

Section 9.13. No nuisance, noxious or offensive activity shall be carried on in the Property 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 Dwelling Units on the Property.

Section 9.14. 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 Property.

Section 9.15. Parking areas and driveways shall be used for parking operable automobiles only and no part of any Lot shall be used for storage use, including storage of recreational vehicles or overnight 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 under Section 9.13 hereof. Passenger motor vehicles in non-operative condition shall not be parked, except in garages.

Section 9.16. The operation of "ham" or other amateur radio stations or the erection of any communication antenna, receiving dish or similar devices shall not be allowed except as otherwise provided in the Homeowner's Declaration.

Section 9.17. No lines or wires for communication or the transmission of electric current or power shall be constructed, placed or permitted to be placed anywhere in the Property other than within buildings or structures or attached to their walls, unless the same shall be contained in conduits or approved cables constructed, placed and maintained underground.

Section 9.18 Each Lot and the Common Area is hereby subjected to a permanent easement appurtenant to any adjoining Lot and any adjoining portion of the Common Area to permit the construction, existence, maintenance, repair and restoration of structures located on such adjoining Lot or portion of the Common Area, including roof structures, which overhang and encroach upon the servient Lot or Common Area, provided that the construction of

such structure is permitted and approved as elsewhere herein provided. The owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to maintain, repair and restore any improvements located on the dominant tenement provided, however, that such entry shall be allowed only during daylight hours and with the prior knowledge of the owner of the servient tenement. In case of emergency, such right of entry shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the owner of the servient tenement. The owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the owner of the dominant tenement granted by this Section 9.18. Any such improvement, material or obstacle shall be promptly removed by the owner of the servient tenement at that owner's expense when requested by the owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area.

Section 9.19. No fences shall be located in any area designated in a plat of subdivision affecting the Property as a landscape easement. No fences may be constructed upon the Property except in accordance with applicable Village ordinances and shall be black wrought iron (or aluminum), not to exceed five (5) feet in height. All fences must be approved by the Architectural Review Committee established by the Homeowners Declaration.

Section 9.20. Any swimming pools to be constructed upon any Lots must be approved by the Architectural Review Committee. No above ground pools shall be allowed on the Property.

ARTICLE X

ANNEXATION OF ADDITIONAL PROPERTIES

Section 10.01. The Declarant and its successors and assigns hereby reserve the right and option, at any time and from time to time within seven (7) years from the date of recording of this Declaration, to annex to the Property all or any portion of the Additional Parcel, although no provision hereof shall be construed as requiring the Declarant to do so.

Section 10.02. In the event the Declarant or its successors or assigns elects from time to time to annex to the Property all or any portion of the Additional Parcel, the portions of the Additional Parcel annexed to the Property shall be made expressly subject to all provisions of this Declaration and the Declarant shall record a Supplementary Declaration which shall contain but not be limited to the legal description of the additional portion of Property which is to become subject to this Declaration.

Section 10.03. Upon compliance with this Article X, all Supplementary Declarations and the real estate covered therein shall be subject to the following terms and conditions:

(a) The rights, easements, covenants, restrictions, burdens, uses and privileges set forth and described in this Declaration shall run with and bind the land of the

Additional Parcel and inure to the benefit of and be the personal obligation of the owners of Lots thereon in the same manner, to the same extent and with the same force and effect that this Declaration applies to the Property previously subjected hereto;

(b) Any Supplementary Declaration may contain such complimentary additions and modifications to the provisions of the Declaration affecting the Additional Parcel as may be necessary to effectuate the development of the Additional Parcel.

(c) In all other respects, all of the provisions of this Declaration shall include and apply to the additional portions of the Property included in any such Supplementary Declaration including any Lots situated therein, and the owners, mortgagees and lessees thereof, with equal meaning and of like force and effect.

ARTICLE XI PARTY WALLS

Section 11.01 All dividing walls which straddle the boundary line between Lots and which stand partly upon one Lot and partly upon another, and all walls which serve two or more Dwelling Units, shall at all times be considered party walls, and each of the owners of Lots upon which any such party wall shall stand shall have the right to use said party wall below and above the surface of the ground and along the whole length of any part of the length thereof for the support of said Dwelling Units and for the support of any building constructed to replace the same, and shall have the right to maintain in or on said wall any pipes, ducts or conduits originally located therein or thereon subject to the restrictions hereinafter contained.

Section 11.02 No Owner nor any successor in interest to any such Owner shall have the right to extend said party wall in any manner, either in length, height or thickness.

Section 11.03 In the event of damage to or destruction of by fire or other casualty of any party wall, including the foundation thereof, the owner of any Lot upon which such party wall may rest shall have the obligation to repair or rebuild such wall and the owner of each Lot upon which such wall shall rest, be served or benefited by shall pay his aliquot portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, in a workmanlike manner with materials comparable to those used in the original wall and shall conform in all respects to the laws or ordinances regulating the construction of building in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall.

Section 11.04 The foregoing provision of this Article XI notwithstanding, the owner of any Lot or other interested party shall retain the right to receive a larger contribution from another or others under any rule or law regarding liability for negligent or willful acts or omissions. The right of any Owner, or other interested party, to contribution from any other Owner under this Article XI shall be appurtenant to the land and shall pass to such Owner's or other person's successors in title.

Section 11.05 The title of each Owner to the portion of each party wall within such Dwelling Unit is subject to a cross easement in favor of the adjoining Owner for joint use of said wall.

ARTICLE XII MISCELLANEOUS

Section 12.01. The Association, the Village or any Owner, their successors or assigns, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Any Owner found to be in violation by a court of competent jurisdiction of any of the foregoing shall also be liable for reasonable attorney's fees incurred by the Association in prosecuting such action. The amount of such attorney's fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Owner's Lot, enforceable as other liens herein established. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall use its best efforts to assist the Village in connection with the enforcement of any provisions hereunder, the violation of which shall also be considered a violation of any applicable Village ordinance.

Section 12.02. Invalidation of any of these covenants or restrictions by judgment or order shall in no way affect any other provisions which shall remain in full force and effect. In the event of any conflict between the terms of this Declaration and the provisions of any statute governing same, the terms of such statute shall control.

Section 12.03. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Village, the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinafter set forth. The covenants and restrictions of this Declaration may be amended during the first fifty (50) year period or within any successive ten (10) year period by an instrument signed by those Members (Class A and Class B) entitled to cast seventy-five percent (75%) of the total votes as provided in Article III, Section 3.01 hereof and then properly recorded, provided, however, that no Material Amendment to this Declaration, the By-Laws or the Association's articles or incorporation shall be effective unless approval thereof is obtained from Eligible Mortgage Holders representing at least fifty-one percent (51%) of the Lots and Dwelling Units that are subject to mortgages held by Eligible Mortgage Holders.. Any instrument executed pursuant to the provisions contained in this Section shall be filed for record in the Office of Recorder of Will County, Illinois, and a true, complete copy of such instrument shall be transmitted to each Owner promptly.

Section 12.04. If and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting

restraints on alienation, or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provision concerned shall continue and endure only after the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of William Jefferson Clinton, President of the United States, living at the date of this Declaration.

Section 12.05. Any notices required under the provisions of this Declaration to be sent to any Owner, shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Owner as it appears on the records of the Association at the time of such mailing.

Section 12.06. All the easements, rights, covenants, agreements, reservations, restrictions and conditions herein contained shall run with the land and shall inure to the benefit of and be binding upon Declarant and each subsequent holder of any interest in any portion of the Property and their grantees, heirs, successors, personal representatives and assigns with the same full force and effect for all purposes as though set forth at length in each and every conveyance of the Property or any part thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and covenants herein described shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees or trustees of such parcels as fully and completely as though said easements and covenants were fully recited and set forth in their entirety in such documents.

Section 12.07. In the event that any part of any Dwelling Unit encroaches or shall hereafter encroach upon any part of any other Lot or the Common Area, valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of the same shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Dwelling Unit of another Owner or if it occurred due to the willful conduct of any Owner.

Section 12.08. Declarant reserves to itself the right to rerecord any plats of subdivision of the Property, or this Declaration or certificates of correction to correct any inaccuracies, errors or mistakes contained therein, subject to the prior review and approval of the Village.

Section 12.09. Any aggrieved Owner may enforce the provisions of this Declaration, the By-Laws, or any rules and regulations promulgated by the Board, by an action at law or in equity against the defaulting Owner (or occupant of his Dwelling Unit).

Section 12.10. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class housing development.

Section 12.11. Declarant reserves the right and power to prepare and record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public, or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering a Dwelling Unit or (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to any Lot.

Section 12.12. The Declarant reserves the right to grant easements at any time hereafter over, under, along and in any portion of the Lots for the purposes of providing utility and drainage services, provided, however, that such grant does not interfere with the reasonable use and occupancy of a Dwelling Unit.

Section 12.13. The liability of the Declarant under this Declaration shall be limited to and enforceable solely against the interest of the Declarant in the Property and not against any other assets of Declarant.

Section 12.14. The provisions of the Declaration are subject to the provisions of the Homeowners Declaration. In the event of any inconsistency between the provisions of this Declaration and the provisions of the Homeowners Declaration, the provisions of the Homeowners Declaration shall prevail.

Section 12.15. All Declarant Rights shall be mortgageable, pledgeable, assignable or transferable. The Declarant shall have the right to assign some or all of the Declarant Rights reserved or granted hereunder to Declarant, subject to the following:

(a) Declarant may assign to a Person which acquires title to a portion of the Property the non-exclusive right to exercise some or all of the Declarant Rights, subject to such terms, conditions and limitations as the Declarant shall deem appropriate, in their discretion.

(b) If Declarant conveys all of the Additional Property owned by it to a Person, then the Declarant shall no longer have the right to exercise any Declarant Rights and the person which acquires such portions of the Additional Property from

Declarant may become the successor to the Declarant and, if so, shall have the right to exercise all Declarant Rights hereunder, subject to any assignments previously made by the Declarant as permitted hereunder.

(c) Any Declarant Rights may be collaterally assigned by the Declarant to a lender which makes a development or construction loan to Declarant with respect to a portion of the Additional Property.

Section 12.16 If all or any part of the Common Area only shall be taken through condemnation by any governmental authority having power so to do, the net proceeds of such taking shall be paid to and retained by the then owner of the Common Area subject, however, to the rights of the holder of first mortgage liens on the Dwelling Units. If any part of the Property including one or more Dwelling Units shall be taken by one or more concurrent condemnation proceedings, the entire net proceeds of such taking or takings, including (without limitation) all proceeds received on account of such taking of any part of the Common Area, shall be divided equitably among, and retained by, the Owners of the Dwelling Units wholly or partially taken in such condemnation proceedings, subject to the rights of the holders of first mortgage liens on the Dwelling Units. If the effect of such condemnation shall be to isolate any part of the Property from the remainder of the Property, and if no residential structures shall then have been constructed or be situated within the portion of the Property so isolated, then all the Dwelling Units lying wholly or partly within the portion of the Property so isolated shall be deemed to have been and shall be removed from and released from all of the terms and provision of this Declaration and this Declaration shall be of no further force or effect with respect thereto. For purposes of this Section 12.16, the term "condemnation" shall include also any sale under threat of condemnation to any governmental authority having condemnation power.

ARTICLE XII

DECLARANT'S RIGHTS

Notwithstanding anything contained herein to the contrary, subsequent to the time Declarant no longer has the right to appoint all members of the Board, but until such time as the Declarant no longer holds title to any Lot, the Board, and any committees, shall not enter into any contract, amend this Declaration in any manner, implement any decision which may adversely affect the sales, marketing, development or financial projections of the Property (not including any budget or assessment levels established by the Association) or modify any existing standards within the Property, without the prior written consent of the Declarant. This Article XIII may not be amended without the prior written consent of the Declarant.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 28th day of April, 2000.

DECLARANT:

By: McCoy Farm, L.L.C., an Illinois limited liability company

By: Kipling Development Corporation, an Illinois corporation, Its Manager

By: [Signature]
Its VICE-PRESIDENT

STATE OF ILLINOIS)
) SS.
COUNTY OF WILL)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Pasquale Selvaggio of Kipling Development Corporation, an Illinois corporation, as Manager of McCoy Farm, L.L.C., an Illinois limited liability company, personally known to me to be the VICE President of Kipling Development Corporation, an Illinois corporation and personally known to me 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 signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

2000 Given under my hand and notarial seal this 28 day of April

[Signature]
Notary Public

My Commission Expires: October 13, 2003

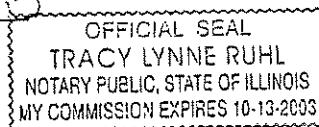


EXHIBIT B

BY-LAWS OF THE COURTYARDS OF KIPLING ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I PURPOSES AND POWERS

The Association shall be responsible for the general management and supervision of the Common Area and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration. Further, the Association shall have all power's now or hereafter granted by the General Not For Profit Corporation Act of the State of Illinois which shall be consistent with the purposes specified herein and in the Declaration.

ARTICLE II OFFICERS

2.01 Registered Office. The Association shall have and continuously maintain in this State a Registered Office and a Registered Agent whose office shall be identical with such Registered Office. The Association may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

2.02 Principal Office. The principal office of the Association shall be initially maintained in Shorewood, Illinois.

ARTICLE III MEMBER

3.01 Voting Members. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to an assessment by the Association. Ownership of such Lot shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Lots. Voting rights with regard to each Member are set forth in Section 3.02 hereof.

3.02 Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Section 3.01, provided that the Declarant shall not be a Class A Member until the Transfer Date. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 3.01. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. All Members holding any interest in a single Lot shall together be entitled to cast only one vote for the Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Section 3.01; provided that the Class B membership shall cease and be converted to Class A membership on the Transfer Date.

3.03 Meetings.

(a) Quorum: Procedure. Meetings of the Members shall be held at the principal office of the Association or at such other place in Will County, Illinois as may be designated in any notice of a meeting. The presence at any meeting, in person or by proxy, of twenty percent (20%) of the total votes determined pursuant to Section 3.02 above shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of the Members having a majority of the total votes present at such meeting. Any Member in writing may waive notice of a meeting, or consent to any action of the Association without a meeting.

(b) Initial and Annual Meeting. The initial meeting of the Members to elect a Board shall be held at such time as may be designated upon thirty (30) days written notice given by the Declarant, provided that such initial meeting shall be held no later than the first to happen of (i) upon written notice of election by the Declarant to the Association as of the date specified in said notice or (ii) ten (10) years from the date of the recording of this Declaration or (iii) upon the sale and conveyance of eighty-five (85%) percent of the Lots to bona-fide purchasers. For purposes of this Section 3.03(b), "Lots" shall mean all platted lots contained within the Property and Additional Parcel. Thereafter, there shall be an annual meeting of the Members on the first Tuesday of May of each succeeding year, at 7:30 p.m. If the date for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour on the first day succeeding such date which is not a legal holiday.

(c) Special Meetings. Special meetings of the Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Members, or

for any other reasonable purposes. Said meetings shall be called by written notice, authorized by a majority of the Board or by the Members having one-half (1/2) of the total votes entitled to be cast by Class A Members as provided in Section 3.02 above, and delivered not less than five (5) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

3.04 Notices of Meeting. Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Dwelling Unit of the Owner with respect to which such voting right appertains, if no address has been given to the Board. The notices required herein shall state the specific purpose and the nature of the business for which the meeting is called. At any meeting, no business may be transacted other than that specified in the notice.

3.05 Proxies. At any meeting of Members, a Member entitled to vote may either vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

ARTICLE IV BOARD OF DIRECTORS

4.01 Board of Directors. The direction and administration of the Property in accordance with the provisions of the Declaration shall be vested in the Board of Directors, consisting of five (5) persons who shall be elected in the manner hereinafter provided, except for the first Board of Directors appointed by the Declarant (or its designee) which shall be three (3) in number. The Members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the number and term of the office of the Board members at any annual meeting, provided that such number shall not be less than five (5), and that the terms of at least two-fifths (2/5) of the persons on the Board shall expire annually. Each member of the Board, with the exception of the Board members initially appointed by the Declarant (or its designee) shall be one of the Owners (including the Declarant); provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, or manager of such legal entity, shall be eligible to serve as a member of the Board and provided further that in the event a member of the Board has entered into a contract to sell his Dwelling Unit and vacates the Dwelling Unit prior to the consummation of that transaction, such member shall no longer be eligible to serve on the Board and his term of office shall be deemed terminated.

4.02 Determination of Board to be Binding. All matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of the Declaration or these By-Laws shall be determined by the Board as hereinafter provided, which determination shall be final and binding on the Association and on all Owners subject, however, to the jurisdiction of any applicable court of law.

4.03 Election of Board Members. At the initial meeting of the Members and at all subsequent annual meetings of the Members there shall be elected a Board of Directors. In all elections for members of the Board of Directors, each Member shall be entitled to vote on a non-cumulative basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. The initial Board of Directors designated by the Declarant pursuant to Section 4.01 hereof shall serve for a period commencing on the date the Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of Members held as provided in Section 3.03(b) hereof. Members of the Board elected at the initial meeting shall serve until the first annual meeting. Five (5) Board Members shall be elected at the initial meeting for a term of one (1) year. Upon the expiration of the terms of office of the Board members so elected at the initial meeting and thereafter, successors shall be elected for a term of two (2) years each. Notwithstanding the aforesaid election procedure, the Declarant or its designee may appoint a Board which shall have the same powers and authority as given to the Board generally, as provided hereinafter, and such appointed Board shall function until such time as the initial meeting of the Members is held.

4.04 Compensation. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the Members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

4.05 Vacancies in Board. Vacancies in the Board, other than as a result of removal pursuant to Paragraph 4.07 hereof, including vacancies due to any increase in the number of persons on the Board, shall be filled by the remaining members of the Board or by the Members present at the next annual meeting or at a special meeting of the Members called for such purpose.

4.06 Election of Officers. The Board shall elect from among its members a President who shall preside over both its meetings and those of the Members, and who shall be the chief executive officer of the Board and Association, a Secretary who will keep the minutes of all meetings of the Members and of the Board who shall, in general, perform all the duties incident to the office of Secretary, and a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

service the Property (water, storm sewer and sanitary sewer) shall be borne by the Village and that the obligation for maintenance and repair of all other portions of the Common Area, including those lines which service individual Dwelling Units (storm sewer, sanitary sewer and water) shall be borne by the Association. The Village shall be under no obligation to exercise the rights herein granted except as it shall determine to be in its best interest. No failure to exercise any right herein granted to the Village shall be construed as a waiver of that or any other rights.

Section 4.05 Any owner may delegate, in accordance with the By-Laws, his right of ingress and egress to the Common Area to the members of his family, occupants, guests, invitees, or contract purchasers who reside on the Property.

Section 4.06 The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association subject, however, to the provisions of Section 4.01 (a) hereof. Declarant shall reserve, upon conveyance to the Association of the Common Area, a perpetual and non-exclusive easement for egress and ingress in, to and from each Lot which it shall grant to each Lot upon the conveyance thereof.

Section 4.07 Declarant, its beneficiary, agents, employees, guests and invitees shall have the right and easement of ingress and egress in, over, upon under and across the Common Area for sales and construction purposes until Declarant has conveyed all of the Lots to the purchasers thereof.

Section 4.08 (a) The Association shall have the right and duty to build, repair and maintain the Common Area.

(b) The Association shall have the right of ingress and egress over and upon the Common Area for any and all purposes in connection with the use, maintenance, construction, operation, repair and reconstruction of the Common Area.

(c) The Association, through resolutions of the Board, shall have the right to adopt rules and regulations governing the use, maintenance and administration of the Common Area and for the health, comfort, safety and general welfare of persons using the Common Area.

Section 4.09 Notwithstanding any provisions herein to the contrary, the easements herein created shall be subject to:

(a) The right of Declarant to execute all documents and do all other acts and things affecting the Property which, in the Declarant's judgment, are reasonably necessary to develop the Property.

(b) Easements of record on the date hereof, including those easements granted on the Plat of Subdivision for the Property recorded in the Office of the Recorder of Will County, Illinois, and any easements which may hereafter be granted by Declarant or the Association to any public utilities or governmental bodies for the installation and maintenance of electrical and telephone conduit and lines, gas pipes, sewers or water mains

and pipes, or any other utility services serving any Lot and to any provider of cable television service.

Section 4.10 Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to or for the public use or purpose whatsoever.

Section 4.11 Easements for serving the Common Area and other properties with public utilities and municipal services are hereby granted to Commonwealth Edison Company, Northern Illinois Gas Company, Ameritech, the Village, and all other suppliers of utilities serving the Common Area and the respective successors and assigns, jointly and severally to install, lay, construct, renew, operate, maintain or remove, from time to time, conduits, cables, pipes, wire transformers, switching apparatus and other facilities and appurtenances used in connection with serving the Common Area and adjacent property with telephone communications, electric, sewer, gas, water, drainage, cable television, or other municipal services, upon, across and under the Common Area; provided, however, that all such public utilities shall be installed underground. Notwithstanding any code or ordinance provision which may provide otherwise, no public utility shall be installed over-the-ground and nothing herein shall be deemed or construed as permitting over-the-ground utilities.

Section 4.12 All areas of and facilities upon the Common Area, including, but not limited to, all open space, all driveways and parking areas, and all landscaping shall be maintained by the Association in such a manner as to ensure the proper use and functioning of such areas as facilities as originally designated and/or constructed.

ARTICLE V MAINTENANCE OF DWELLING UNITS

Section 5.01 The Association shall determine the need for and may carry out or cause to be performed all maintenance and repair to the exteriors of the Dwelling Units including, without limitation, garage exteriors, roofs, siding and trim, gutters and downspouts, fences, if any, patio areas, if any, wooden decks, if any, walkways and driveways located on or serving a Lot, made necessary and desirable in the sole discretion of the Association as a result of natural or ordinary wear and deterioration. The Association shall, in addition, determine the need for and shall carry out or cause to be performed all such maintenance and repair of all gas, telephone and electrical lines incorporated in and forming a part of the Dwelling Units as originally constructed that service more than one Dwelling Unit. Such maintenance and repair shall not include any maintenance or repair of any furnaces, water heaters, stoves, refrigerators, washing machines or household appliances, sump pumps, glass surfaces, windows and patio doors, front entry and garage doors, electrical fixtures, air conditioners and compressors, or any other portion of said unit which services only one Dwelling Unit or the interior of any Dwelling Unit or portion thereof. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Lot is subject. The Association shall, in addition, be responsible for the proper maintenance of all landscaping

located on the Common Area including, but not limited to, mowing the grass areas and the proper maintenance of all access roads and streets including the snowplowing of all sidewalks and streets located within the Common Area and the storage of such snow on the Common Area. The obligations of the Association as contained in this Section 5.01 shall be limited, however, to the extent that there are funds available in the Association's account from the assessments collected pursuant to Article VI hereof. The Association shall have the right to assess each and every Owner for any costs incurred in connection with the maintenance and repair of the patio areas and/or wooden decks. The Association shall be responsible for the maintenance and repair of any underground sprinkling system located upon the Property.

Section 5.02 The Association shall pay, as agent and on behalf of the Owners and out of the funds furnished to it by them for such purpose, all tax and other governmental impositions levied upon the Common Area or any part thereof.

Section 5.03 Each Owner shall have the obligation to maintain in good condition and repair his glass surfaces, windows, front entry and garage doors, and electrical fixtures. Upon the failure of any Owner to maintain those areas that are not the maintenance responsibility of the Association, the Association, through its agents and employees, is hereby granted the right to enter upon the Lot and into the Dwelling Unit thereon and make such reasonable repairs, maintenance, rehabilitation or restoration of the premises as may be necessary, and the costs thereof shall become a lien upon the Lot in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments.

Section 5.04 The Association shall provide for the maintenance of the Lot planting which has been offered by the Declarant in the sale of the Lot. In the event the Owner installs his own planting within his Lot, the Association shall have the right to assess each Owner for any additional cost in providing for the maintenance of such planting.

Section 5.05 The Association shall have the right to draw water from individual Dwelling Units as required for the efficient performance of its duties hereunder. The Association shall pay for all such water bills incurred on the Property and each Owner shall be assessed for an equal share of said bills.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 6.01. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments to be fixed, established and collected from time to time as hereinafter provided, and (2) special assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interests, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due.

Section 6.02. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of such Common Area, and of the maintenance of the exteriors of the Dwelling Units (except as otherwise provided herein) situated upon the Property. Such uses shall include, but are not limited to, the cost to the Association of all taxes, insurance, repair, replacement and maintenance of the Common Area. If any other charges required by this Declaration or that the Board shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve fund for repair, maintenance, replacements, taxes, and other charges as specified herein which benefit the Common Area are directly charged to any Owner, the Association will reimburse such Owner for any such expense. The Board reserves the right to levy additional assessments against any Owner to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund. At the time of closing of the sale of each Lot by the Declarant, the Owner shall pay an amount as determined by the Declarant which shall be used and applied as a working capital fund in the manner herein provided. Furthermore, no provision of this Declaration shall be construed to require the payment by the Association of real estate taxes on any Lot upon which a Dwelling Unit is constructed and a portion of the Common Area is located.

Section 6.03. The Board, at its option, shall be authorized to fix the annual assessment in an amount sufficient to meet the costs and expenses as contained in Section 6.02 hereof.

Section 6.04. In addition to the annual assessments authorized above the, Association may levy in any assessment year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, maintenance or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, if any.

Section 6.05. Both annual and special assessments, if any, must be fixed at a uniform rate for all Lots, except for certain Lots as provided in Section 6.09 hereof, and shall be collected on a monthly basis or as otherwise directed by the Association.

Section 6.06. The annual assessments provided for herein, at the option of the Board, shall commence for all Lots within the Property on the first day of the month following the conveyance of the first Lot, except as otherwise provided in Section 6.09 hereof. The Board shall fix the amount of the annual assessment, if any, against each Lot at least thirty (30) days in advance of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed amount of annual assessment shall be due on the first day of the month immediately preceding the effective date of the changed assessment. An Owner shall first be liable for payment of the full monthly assessment, if any, on the 1st day of the month following conveyance of title to him. The Association shall upon demand at any time furnish a certificate in writing signed by

an officer or agent of the Association setting forth whether the assessments on a specified Lot have been paid and, if not paid, the amount of any such deficiency. Such certificate shall be conclusive evidence of payment of any assessment therein.

Section 6.07. Any assessments which are not paid when due shall be delinquent. Such assessments, interest and all costs of collection shall be a continuing lien upon the Lot against which each such assessment was made. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate allowed by law, and the Association may bring an action at law or in equity against the Owner personally obligated to pay the same, or foreclose the lien against the respective Lot and interest, costs and reasonable attorneys fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property.

Section 6.08. Any lien which has been or will be created pursuant to the terms and conditions of this Declaration shall (a) be subordinate to the lien of any first mortgage which is placed upon the Property or a Dwelling Unit, and (b) not be effective unless said lien is recorded in the Office of the Recorder of Will County, Illinois and (i) shall set forth who or whom is claiming the lien, (ii) the address of the lienor, (iii) the amount of the lien, and (iv) the Section of the Declaration under which the lienor is claiming the lien. Any sale or transfer of all or any portion of the Property or Dwelling Unit pursuant to a mortgage foreclosure or other proceedings in lieu thereof regarding any first mortgage affecting any portion of the Property or Dwelling Unit shall extinguish any existing lien or the right to lien which arose prior to the sale or transfer. Notwithstanding any other terms and conditions of this Declaration, this Section may not be amended or deleted without the written approval of all first mortgage lien holders, which consent shall be recorded in the Office of the Recorder of Will County, Illinois.

Section 6.09. With regard to any unimproved Lots owned by Declarant or Lots upon which Dwelling Units are being constructed or have been completed and title has not been conveyed by Declarant, the assessment respecting any such Lot shall be limited to the aggregate amount of actual operating expenses from time to time required to be paid with respect to such Lot provided, however, that in the event Declarant enters into a lease or installment contract for any Lot, then Declarant shall, as of the first day of such lease or contract, be responsible for the payment of all assessments on those Lots on the same basis as any other Owner as provided in this Article. Actual operating expenses shall mean those ordinary expenses attributable only to the period in question covering the maintenance and operation of the Property and shall not include capital expenditures, amounts set aside as a reserve for contingencies or replacements, repair items or inventory items to the extent attributable to subsequent periods. The Declarant hereby agrees to satisfy any deficit or shortage in the Association's operating budget for any period in which the Declarant has paid

reduced assessments pursuant to this Section 6.09, provided, however, that the Declarant's liability hereunder shall not exceed the amount by which the Declarant's assessments have been reduced below the assessments of each other Owner by reason of this Section 6.09.

Section 6.10. The Association may elect to collect the annual assessment in one payment due on or before January 31st of each year.

ARTICLE VII

INSURANCE

Section 7.01. The Association shall be responsible for procuring and maintaining comprehensive public liability insurance, including liability for injuries to and death of persons in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence, in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring the Association from liability in connection with the use and/or ownership of the Common Area. The liability policy shall also name as insured the Association's agents, officers, and directors and such additional parties as the Association shall determine.

Section 7.02. The Association shall be further responsible for maintaining such policies of insurance for the Common Area against loss or damage by fire and such other hazards contained in a customary "all risk" policy provided that such policies shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days written notice to the Association and provide for coverage in the amount of one hundred (100%) percent of current full replacement value. Replacement cost shall be determined annually by an independent appraiser or by a method acceptable to the insurance company providing such coverage.

Section 7.03. The Association shall be responsible for procuring and maintaining a fidelity bond insuring the Association, the Board and the Owners against loss of funds as a result of the fraudulent or dishonest acts of any employee of the Association or its management agent or of any other person handling the funds of the Association, the Board or the Owners in such amounts as the Board shall deem necessary.

Section 7.04. The Association shall be responsible for procuring and maintaining Directors and Officers Liability in such limits as it shall deem desirable.

Section 7.05. The Association may also obtain such other kinds of insurance as the Association shall from time to time deem prudent in such amounts as the Association shall deem desirable.

Section 7.06. Each Owner shall procure and maintain in full force at all times insurance covering his Dwelling Unit consisting of, or providing all the protections afforded by, the insurance now generally described in an "all risk" policy to one hundred (100%) percent of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation, less a deductible amount of no more than one thousand (\$1,000.00)

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

Section 7.07 Upon the failure of any Owner to procure and maintain the insurance required in Section 7.06 hereof or, in the event the Board, in its sole discretion, determines that the Dwelling Unit is underinsured, the Board shall have the authority to procure such insurance and/or additional insurance, as the case may be, and the costs thereof shall become a lien upon the Lots in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments.

Section 7.08 All repair, restoration or rebuilding pursuant to the provisions of this Article VII shall be carried out under such supervision and direction as the Board shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the Owner or Owners of each Dwelling Unit which shall have been damaged or destroyed shall fully cooperate with, and abide by all instruction and directions of, the Association in connection therewith.

Section 7.09 In the event of such damage or destruction of a Dwelling Unit, the holder of the mortgage encumbering said Dwelling Unit shall cause the proceeds of any insurance required pursuant to Section 7.06 hereof to be utilized in restoring the Dwelling Unit pursuant to the terms of this Article VII.

Section 7.10 In any case in which the Owner or Owners concerned shall fail to carry out and see to the repair, restoration or rebuilding required by the provisions of this Article VII, the Association shall cause such repairs or rebuilding to be furnished, provided and installed, in the manner as set forth in Section 7.07 hereof provided, however, that to the extent the insurance proceeds referred to in Section 7.06 are insufficient as to any Dwelling Unit, the particular Owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby granted, a continuing lien on the Lot for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the amount that cost thereof exceeds insurance proceeds, (b) interest at the rate of twelve percent (12%) per annum from the date of the Association's payment of such costs, and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall bind such Lot in the hands of such Owner, his heirs, devisees, personal representatives, grantees

and assigns. In the event such Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien shall be foreclosed against the Lot by the Association in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien in this Section 7.10 provided for shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Lot.

Section 7.11 In the event of any damage or destruction to the exterior portion of a Dwelling Unit and the loss is covered by policies of insurance, the Board shall have the authority to settle and adjust any claim under such policies without the consent of the respective Owner.

ARTICLE VIII INTERIM PROCEDURE

Section 8.01. Until each of the various Lots shall have been conveyed by the Declarant to the first Owner thereof (or to such Owner's nominee), the Declarant shall, with respect to each such unsold Lot, have all the rights granted to and obligations imposed upon the Owners.

Section 8.02. Until the initial meeting of the Members, the Declarant (or its designees) may appoint the Board which shall have the same powers and authority as given to the Board generally.

Section 8.03. The powers granted to the Declarant by Section 8.02 hereof shall include, without limitation, the power to assess upon and collect from the individual Owners, their respective proportionate shares of the funds required for the carrying out of all the duties and obligations of the Association.

ARTICLE IX RESTRICTIONS RELATING TO PROPERTY

Section 9.01. No Structure, landscaping or other improvement shall be commenced or allowed on any portion of the Property unless it complies with the provisions of this Declaration. All Structures on the Property shall be of new construction.

Section 9.02. The Lots shall be used only for residential purposes, as a private residence, and no professional, business or commercial use shall be made of the same or any portion thereof, nor shall any resident's use of a Lot endanger the health or disturb the reasonable enjoyment of any other Owner or resident,, except that professional and quasi-professional persons may use their residence as an ancillary or secondary facility to an office elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a resident from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly

declared customarily incident to the principal residential use and not in violation of said restrictions. This Section 9.02 shall also not be deemed to prohibit an Owner from caring for no more than four (4) unrelated children at any time within such Owner's Dwelling Unit.

Section 9.03. No Structures (except as otherwise permitted by the By-laws) other than an attached residence for a single family occupancy shall be constructed on each Lot. No tool or storage sheds, satellite dishes (except as otherwise allowed under the Homeowner's Declaration), above-ground swimming pools, animal houses (unless approved by the Board) or other structures (except the single family residence referred to in the preceding sentence) shall be constructed on any Lot. No permanent basketball structures shall be permitted within the front yard of any Lot. 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 (a) the Dwelling Unit on such Lot or (b) the remainder of the Dwelling Units on the Property. In addition, any construction undertaken upon any Lot must be completed within nine (9) months of the date of commencement of said construction.

Section 9.04. All Structures shall be constructed in accordance with applicable governmental building codes and zoning ordinances of the Village. If and to the extent there is any conflict between this Declaration and the provisions of any ordinances, codes, rules and regulations of the Village, such conflict shall be resolved by the application of the more stringent provision as between this Declaration and such ordinance, code, rules and regulations of the Village.

Section 9.05. Except as otherwise provided by Section 9.07 hereof, no structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used as a residence or for any other purpose, either temporarily or permanently.

Section 9.06. No advertising sign (except one "For Sale" sign not exceeding 2' x 2' in size), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on any Dwelling Unit or Lot, except as provided in Section 9.07 hereof and except that during the two (2) week period prior to and during the one (1) week period subsequent to, a primary or general election, one (1) political sign may be maintained on an individual Lot or the Dwelling.

Section 9.07. The Declarant may maintain, while engaged in construction and sales activities, in or upon such portions of the Property as Declarant shall determine, such temporary facilities as in its sole discretion may be necessary or convenient including, but without limitation, offices, storage areas, model units, signs, temporary fencing, monuments and sales and construction trailers.

Section 9.08. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs and cats (not to exceed a total of four (4) such pets) or other common household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purposes.

Section 9.09. All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Dwelling Units and streets, and shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. Garbage may not be burned on the Lots.

Section 9.10. Drying of clothes shall be confined to the interior of the Dwelling Units. No clothes, sheets, laundry, blankets or other articles of clothing shall be hung out in any portion of the Property.

Section 9.11. An Owner of a Lot shall do no act nor allow any condition to exist which will adversely affect the other Lots or their Owners.

Section 9.12. Intentionally omitted.

Section 9.13. No nuisance, noxious or offensive activity shall be carried on in the Property 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 Dwelling Units on the Property.

Section 9.14. 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 Property.

Section 9.15. Parking areas and driveways shall be used for parking operable automobiles only and no part of any Lot shall be used for storage use, including storage of recreational vehicles or overnight 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 under Section 9.13 hereof. Passenger motor vehicles in non-operative condition shall not be parked, except in garages.

Section 9.16. The operation of "ham" or other amateur radio stations or the erection of any communication antenna, receiving dish or similar devices shall not be allowed except as otherwise provided in the Homeowner's Declaration.

Section 9.17. No lines or wires for communication or the transmission of electric current or power shall be constructed, placed or permitted to be placed anywhere in the Property other than within buildings or structures or attached to their walls, unless the same shall be contained in conduits or approved cables constructed, placed and maintained underground.

Section 9.18. Each Lot and the Common Area is hereby subjected to a permanent easement appurtenant to any adjoining Lot and any adjoining portion of the Common Area to permit the construction, existence, maintenance, repair and restoration of structures located on such adjoining Lot or portion of the Common Area, including roof structures, which overhang and encroach upon the servient Lot or Common Area, provided that the construction of

such structure is permitted and approved as elsewhere herein provided. The owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to maintain, repair and restore any improvements located on the dominant tenement provided, however, that such entry shall be allowed only during daylight hours and with the prior knowledge of the owner of the servient tenement. In case of emergency, such right of entry shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the owner of the servient tenement. The owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the owner of the dominant tenement granted by this Section 9.18. Any such improvement, material or obstacle shall be promptly removed by the owner of the servient tenement at that owner's expense when requested by the owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area.

Section 9.19. No fences shall be located in any area designated in a plat of subdivision affecting the Property as a landscape easement. No fences may be constructed upon the Property except in accordance with applicable Village ordinances and shall be black wrought iron (or aluminum), not to exceed five (5) feet in height. All fences must be approved by the Architectural Review Committee established by the Homeowners Declaration.

Section 9.20. Any swimming pools to be constructed upon any Lots must be approved by the Architectural Review Committee. No above ground pools shall be allowed on the Property.

ARTICLE X

ANNEXATION OF ADDITIONAL PROPERTIES

Section 10.01. The Declarant and its successors and assigns hereby reserve the right and option, at any time and from time to time within seven (7) years from the date of recording of this Declaration, to annex to the Property all or any portion of the Additional Parcel, although no provision hereof shall be construed as requiring the Declarant to do so.

Section 10.02. In the event the Declarant or its successors or assigns elects from time to time to annex to the Property all or any portion of the Additional Parcel, the portions of the Additional Parcel annexed to the Property shall be made expressly subject to all provisions of this Declaration and the Declarant shall record a Supplementary Declaration which shall contain but not be limited to the legal description of the additional portion of Property which is to become subject to this Declaration.

Section 10.03. Upon compliance with this Article X, all Supplementary Declarations and the real estate covered therein shall be subject to the following terms and conditions:

(a) The rights, easements, covenants, restrictions, burdens, uses and privileges set forth and described in this Declaration shall run with and bind the land of the

Additional Parcel and inure to the benefit of and be the personal obligation of the owners of Lots thereon in the same manner, to the same extent and with the same force and effect that this Declaration applies to the Property previously subjected hereto;

(b) Any Supplementary Declaration may contain such complimentary additions and modifications to the provisions of the Declaration affecting the Additional Parcel as may be necessary to effectuate the development of the Additional Parcel.

(c) In all other respects, all of the provisions of this Declaration shall include and apply to the additional portions of the Property included in any such Supplementary Declaration including any Lots situated therein, and the owners, mortgagees and lessees thereof, with equal meaning and of like force and effect.

ARTICLE XI PARTY WALLS

Section 11.01 All dividing walls which straddle the boundary line between Lots and which stand partly upon one Lot and partly upon another, and all walls which serve two or more Dwelling Units, shall at all times be considered party walls, and each of the owners of Lots upon which any such party wall shall stand shall have the right to use said party wall below and above the surface of the ground and along the whole length of any part of the length thereof for the support of said Dwelling Units and for the support of any building constructed to replace the same, and shall have the right to maintain in or on said wall any pipes, ducts or conduits originally located therein or thereon subject to the restrictions hereinafter contained.

Section 11.02 No Owner nor any successor in interest to any such Owner shall have the right to extend said party wall in any manner, either in length, height or thickness.

Section 11.03 In the event of damage to or destruction of by fire or other casualty of any party wall, including the foundation thereof, the owner of any Lot upon which such party wall may rest shall have the obligation to repair or rebuild such wall and the owner of each Lot upon which such wall shall rest, be served or benefited by shall pay his aliquot portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, in a workmanlike manner with materials comparable to those used in the original wall and shall conform in all respects to the laws or ordinances regulating the construction of building in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall.

Section 11.04 The foregoing provision of this Article XI notwithstanding, the owner of any Lot or other interested party shall retain the right to receive a larger contribution from another or others under any rule or law regarding liability for negligent or willful acts or omissions. The right of any Owner, or other interested party, to contribution from any other Owner under this Article XI shall be appurtenant to the land and shall pass to such Owner's or other person's successors in title.

Section 11.05 The title of each Owner to the portion of each party wall within such Dwelling Unit is subject to a cross easement in favor of the adjoining Owner for joint use of said wall.

ARTICLE XII MISCELLANEOUS

Section 12.01. The Association, the Village or any Owner, their successors or assigns, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Any Owner found to be in violation by a court of competent jurisdiction of any of the foregoing shall also be liable for reasonable attorney's fees incurred by the Association in prosecuting such action. The amount of such attorney's fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Owner's Lot, enforceable as other liens herein established. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall use its best efforts to assist the Village in connection with the enforcement of any provisions hereunder, the violation of which shall also be considered a violation of any applicable Village ordinance.

Section 12.02. Invalidity of any of these covenants or restrictions by judgment or order shall in no way affect any other provisions which shall remain in full force and effect. In the event of any conflict between the terms of this Declaration and the provisions of any statute governing same, the terms of such statute shall control.

Section 12.03. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Village, the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinafter set forth. The covenants and restrictions of this Declaration may be amended during the first fifty (50) year period or within any successive ten (10) year period by an instrument signed by those Members (Class A and Class B) entitled to cast seventy-five percent (75%) of the total votes as provided in Article III, Section 3.01 hereof and then properly recorded, provided, however, that no Material Amendment to this Declaration, the By-Laws or the Association's articles or incorporation shall be effective unless approval thereof is obtained from Eligible Mortgage Holders representing at least fifty-one percent (51%) of the Lots and Dwelling Units that are subject to mortgages held by Eligible Mortgage Holders. Any instrument executed pursuant to the provisions contained in this Section shall be filed for record in the Office of Recorder of Will County, Illinois, and a true, complete copy of such instrument shall be transmitted to each Owner promptly.

Section 12.04. If and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting

restraints on alienation, or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provision concerned shall continue and endure only after the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of William Jefferson Clinton, President of the United States, living at the date of this Declaration.

Section 12.05. Any notices required under the provisions of this Declaration to be sent to any Owner, shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Owner as it appears on the records of the Association at the time of such mailing.

Section 12.06. All the easements, rights, covenants, agreements, reservations, restrictions and conditions herein contained shall run with the land and shall inure to the benefit of and be binding upon Declarant and each subsequent holder of any interest in any portion of the Property and their grantees, heirs, successors, personal representatives and assigns with the same full force and effect for all purposes as though set forth at length in each and every conveyance of the Property or any part thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and covenants herein described shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees or trustees of such parcels as fully and completely as though said easements and covenants were fully recited and set forth in their entirety in such documents.

Section 12.07. In the event that any part of any Dwelling Unit encroaches or shall hereafter encroach upon any part of any other Lot or the Common Area, valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of the same shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Dwelling Unit of another Owner or if it occurred due to the willful conduct of any Owner.

Section 12.08. Declarant reserves to itself the right to rerecord any plats of subdivision of the Property, or this Declaration or certificates of correction to correct any inaccuracies, errors or mistakes contained therein, subject to the prior review and approval of the Village.

Section 12.09. Any aggrieved Owner may enforce the provisions of this Declaration, the By-Laws, or any rules and regulations promulgated by the Board, by an action at law or in equity against the defaulting Owner (or occupant of his Dwelling Unit).

Section 12.10. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class housing development.

Section 12.11. Declarant reserves the right and power to prepare and record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public, or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering a Dwelling Unit or (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to any Lot.

Section 12.12. The Declarant reserves the right to grant easements at any time hereafter over, under, along and in any portion of the Lots for the purposes of providing utility and drainage services, provided, however, that such grant does not interfere with the reasonable use and occupancy of a Dwelling Unit.

Section 12.13. The liability of the Declarant under this Declaration shall be limited to and enforceable solely against the interest of the Declarant in the Property and not against any other assets of Declarant.

Section 12.14. The provisions of the Declaration are subject to the provisions of the Homeowners Declaration. In the event of any inconsistency between the provisions of this Declaration and the provisions of the Homeowners Declaration, the provisions of the Homeowners Declaration shall prevail.

Section 12.15. All Declarant Rights shall be mortgageable, pledgeable, assignable or transferable. The Declarant shall have the right to assign some or all of the Declarant Rights reserved or granted hereunder to Declarant, subject to the following:

(a) Declarant may assign to a Person which acquires title to a portion of the Property the non-exclusive right to exercise some or all of the Declarant Rights, subject to such terms, conditions and limitations as the Declarant shall deem appropriate, in their discretion.

(b) If Declarant conveys all of the Additional Property owned by it to a Person, then the Declarant shall no longer have the right to exercise any Declarant Rights and the person which acquires such portions of the Additional Property from

Declarant may become the successor to the Declarant and, if so, shall have the right to exercise all Declarant Rights hereunder, subject to any assignments previously made by the Declarant as permitted hereunder.

(c) Any Declarant Rights may be collaterally assigned by the Declarant to a lender which makes a development or construction loan to Declarant with respect to a portion of the Additional Property.

Section 12.16 If all or any part of the Common Area only shall be taken through condemnation by any governmental authority having power so to do, the net proceeds of such taking shall be paid to and retained by the then owner of the Common Area subject, however, to the rights of the holder of first mortgage liens on the Dwelling Units. If any part of the Property including one or more Dwelling Units shall be taken by one or more concurrent condemnation proceedings, the entire net proceeds of such taking or takings, including (without limitation) all proceeds received on account of such taking of any part of the Common Area, shall be divided equitably among, and retained by, the Owners of the Dwelling Units wholly or partially taken in such condemnation proceedings, subject to the rights of the holders of first mortgage liens on the Dwelling Units. If the effect of such condemnation shall be to isolate any part of the Property from the remainder of the Property, and if no residential structures shall then have been constructed or be situated within the portion of the Property so isolated, then all the Dwelling Units lying wholly or partly within the portion of the Property so isolated shall be deemed to have been and shall be removed from and released from all of the terms and provision of this Declaration and this Declaration shall be of no further force or effect with respect thereto. For purposes of this Section 12.16, the term "condemnation" shall include also any sale under threat of condemnation to any governmental authority having condemnation power.

ARTICLE XII

DECLARANT'S RIGHTS

Notwithstanding anything contained herein to the contrary, subsequent to the time Declarant no longer has the right to appoint all members of the Board, but until such time as the Declarant no longer holds title to any Lot, the Board, and any committees, shall not enter into any contract, amend this Declaration in any manner, implement any decision which may adversely affect the sales, marketing, development or financial projections of the Property (not including any budget or assessment levels established by the Association) or modify any existing standards within the Property, without the prior written consent of the Declarant. This Article XIII may not be amended without the prior written consent of the Declarant.

IN WITNESS WHEREOF, the undersigned has executed this instrument this
28th day of April, 2000.

DECLARANT:

By: McCoy Farm, L.L.C., an Illinois limited liability company

By: Kipling Development Corporation, an Illinois corporation, Its Manager

By: [Signature]
Its VICE-PRESIDENT

STATE OF ILLINOIS)
) SS.
COUNTY OF WILL)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Pasquale Selvaggio of Kipling Development Corporation, an Illinois corporation, as Manager of McCoy Farm, L.L.C., an Illinois limited liability company, personally known to me to be the VICE President of Kipling Development Corporation, an Illinois corporation and personally known to me 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 signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 28 day of April, 2000.

Tracy Lynne Ruhl
Notary Public

My Commission Expires: October 13, 2003

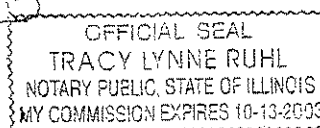


EXHIBIT A

PROPERTY

KIPLING ESTATE UNIT 3, PHASE 1, BEING A SUBDIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN WILL COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NO. R2000-040180, EXCEPTING THEREFROM LOT 12 AND OUTLOT I CONTAINED THEREIN.

Common Address: SEIL ROAD AND WYNSTONE DRIVE

Shorewood, Illinois, 60431

P.I.N. 06-20-100-004, 06-20-200-001, 06-20-200-002, 06-20-200-003,
PART OF 06-20-200-027, AND PART OF 06-20-100-005

This instrument prepared by and
to be mailed to:
Herbert A. Kessel
Beermann; Swerdlow,
Woloshin, Barezky, Becker,
Genin & London
161 North Clark Street, #2600
Chicago, IL 60601-3221
312/621-9700

MARY ANN STUKEL

8P

Will County Recorder
Will County

R 2001090653

Page 1 of 8

PC1 Date 07/16/2001 Time 11:07:00

Recording Fees: 19.00

COPY

RECORDER'S STAMP

**FIRST AMENDMENT TO
THE COURTYARDS OF KIPLING ESTATES DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS**

This First Amendment to that certain The Courtyards of Kipling Estates Declaration of Covenants, Conditions, Restrictions and Easements recorded with the Recorder of Will County, Illinois on May 2, 2000 as Document No. R 2000044866, as amended, is executed by McCoy Farm, L.L.C., an Illinois limited liability company, ("Declarant").

WITNESSETH

COPY

WHEREAS, the real estate described on Exhibit A attached hereto, located in the County of Will and State of Illinois, has been subjected to the terms of the Declaration ("Submitted Property"); and

WHEREAS, the Declarant, pursuant to Article X of the Declaration, reserved the right to annex and add to the Submitted Property; and

WHEREAS, the Declarant, pursuant to Article X of the Declaration, desires to annex and add to the Property (as defined in the Declaration), the real estate legally described in Exhibit B attached hereto ("Additional Property"); and

WHEREAS, the Additional Property is a portion of the additional lands as described on Exhibit B to the Declaration, and

WHEREAS, Declarant reserves the right, in accordance with Section 12.11 of the Declaration, to correct clerical or typographical errors in the Declaration.

NOW, THEREFORE, the Declarant, as holder of the legal title to the Additional Property, for the purposes above set forth, hereby declares that the Declaration is amended as follows:

1. The Additional Property is hereby annexed to the Submitted Property and, together with all improvements and structures now or hereafter erected, constructed or contained thereon or therein, is subject to the terms of the Declaration.

2. Exhibit A of the Declaration is hereby amended by adding thereto the legal description of the Additional Property.

3. Exhibit D of the Declaration is hereby amended by adding thereto the legal description of the property described on Exhibit C attached hereto.

4. Exhibit D of the Declaration, pursuant to Section 12.11 of the Declaration, is hereby corrected by substituting, in its place, Exhibit D attached hereto.

5. Except as herein specifically amended, the Declaration is ratified and confirmed. In the event of any inconsistency between this First Amendment and the Declaration, this First Amendment shall control.

IN WITNESS WHEREOF, the undersigned has caused its name to be signed to these presents this 11th day of July, 2001.

Mc Coy Farm, L.L.C.,
an Illinois limited liability company

By: Kipling Development Corporation,
an Illinois corporation, its manager

By: [Signature]
Its: Vice-President

STATE OF ILLINOIS)
) SS.
COUNTY OF WILL)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Pasquale Selvaggio of Kipling Development Corporation, an Illinois corporation, as Manager of McCoy Farm, L.L.C., an Illinois limited liability company, personally known to me to be the Vice President of Kipling Development Corporation, an Illinois corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 11th day of July 2000.

Kimberly A. Davis
Notary Public

My Commission Expires: July 31, 2004

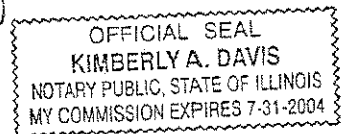


EXHIBIT A

TO
FIRST AMENDMENT TO
THE COURTYARDS OF KIPLING ESTATES DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

SUBMITTED PROPERTY

KIPLING ESTATES UNIT 3, PHASE 1, BEING A SUBDIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN WILL COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NO. R 2000040180, EXCEPTING THEREFROM LOT 12 AND OUTLOT I CONTAINED THEREIN.

P.I.N. 06-20-100-004
06-20-200-001
06-20-200-002
06-20-200-003

Common Address:
Seil Road and Wynstone Drive
Shorewood, Illinois

EXHIBIT B

TO
FIRST AMENDMENT TO
THE COURTYARDS OF KIPLING ESTATES DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

ADDITIONAL PROPERTY

KIPLING ESTATES UNIT 3, PHASE 2, BEING A SUBDIVISION OF
THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION
20, TOWNSHIP 35 NORTH, RANGE 9, EAST OF THE THIRD
PRINCIPAL MERIDIAN, IN WILL COUNTY, ILLINOIS,
ACCORDING TO THE PLAT THEREOF RECORDED AS
DOCUMENT NO. R 200130062, EXCEPTING THEREFROM
OUTLOT J CONTAINED THEREIN.

P.I.N. 06-20-100-008

Common Address: Seil Road and Wynstone Drive
Shorewood, Illinois

EXHIBIT C

TO

FIRST AMENDMENT TO
THE COURTYARDS OF KIPLING ESTATES DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

ADDITION TO COMMON AREA

LOTS 6, 7, 8, 9, 10 AND 11, ALL IN KIPLING ESTATES UNIT 3, PHASE 2, BEING A SUBDIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN WILL COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NO. R 200130062, EXCEPTING THEREFROM UNITS 642 THROUGH 651, BOTH INCLUSIVE, ALL IN LOT 6, UNITS 652 THROUGH 661, BOTH INCLUSIVE, ALL IN LOT 7, UNITS 662 THROUGH 671, BOTH INCLUSIVE, ALL IN LOT 8, UNITS 672 THROUGH 683, BOTH INCLUSIVE, ALL IN LOT 9, UNITS 684 THROUGH 695, ALL IN LOT 10, AND UNITS 696 THROUGH 705, ALL IN LOT 11.

P.I.N. 06-20-100-008

Common Address: Seil Road and Wynstone Drive
Shorewood, Illinois

EXHIBIT D

TO
FIRST AMENDMENT TO
THE COURTYARDS OF KIPLING ESTATES DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

COMMON AREA

LOTS 6, 7, 8, 9, 10 AND 11, ALL IN KIPLING ESTATES UNIT 3, PHASE 2, BEING A SUBDIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN WILL COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NO. R 200130062, EXCEPTING THEREFROM UNITS 642 THROUGH 651, BOTH INCLUSIVE, ALL IN LOT 6, UNITS 652 THROUGH 661, BOTH INCLUSIVE, ALL IN LOT 7, UNITS 662 THROUGH 671, BOTH INCLUSIVE, ALL IN LOT 8, UNITS 672 THROUGH 683, BOTH INCLUSIVE, ALL IN LOT 9, UNITS 684 THROUGH 695, ALL IN LOT 10, AND UNITS 696 THROUGH 705, ALL IN LOT 11.

LOTS 1, 2, 3, 4, 5, 13 AND 14, ALL IN KIPLING ESTATES UNIT 3, PHASE 1, BEING A SUBDIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN WILL COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NO. R 2000040180, EXCEPTING THEREFROM UNITS 601 THROUGH 610, BOTH INCLUSIVE, ALL IN LOT 1; UNITS 611 THROUGH 621, BOTH INCLUSIVE, ALL IN LOT 2; UNITS 617 THROUGH 626, BOTH INCLUSIVE, ALL IN LOT 3; UNITS 627 THROUGH 632, BOTH INCLUSIVE, ALL IN LOT 4; UNITS 633 THROUGH 642, BOTH INCLUSIVE, ALL IN LOT 5; UNITS 707 THROUGH 712, BOTH INCLUSIVE, ALL IN LOT 13; UNITS 713 THROUGH 722, ALL IN LOT 14.

P.I.N. 06-20-100-008

06-20-200-027-0010, 06-20-200-027-0020

06-20-100-005-0010, 06-20-100-005-0020

Common Address: Seil Road and Wynstone Drive
Shorewood, Illinois

CONSENT OF MORTGAGEE

INDYMAC BANK, F.S.B., d/b/a CONSTRUCTION LENDING CORPORATION OF AMERICA, as assignee of INDYMAC CLCA SPC I, INC., a Delaware corporation as successor to INDYMAC MORTGAGE HOLDINGS, INC., a Delaware corporation, d/b/a CONSTRUCTION LENDING CORPORATION OF AMERICA, holder of a Mortgage on the Property legally described on Exhibit B attached hereto, hereby consents to the execution and recording of the within First Amendment to The Courtyards of Kipling Estates Declaration of Covenants, Conditions, Restrictions and Easements and agrees that said Mortgage is subject thereto.

IN WITNESS WHEREOF, Steven F. Rosen has caused this consent of Mortgagee to be signed by its duly authorized officer on its behalf; all done at Chicago, Illinois on the 12th day of July, 2001.

By: _____

Its: Vice President

STATE OF ILLINOIS)
)
COUNTY OF COOK)

SS.

I, Christine A. Petrassi, a Notary Public in and for County and State aforesaid, do hereby certify that Steven F. Rosen, as Vice President INDYMAC BANK, F.S.B., d/b/a CONSTRUCTION LENDING CORPORATION OF AMERICA, as assignee of INDYMAC CLCA SPC I, INC., a Delaware corporation as successor to INDYMAC MORTGAGE HOLDINGS, INC., a Delaware corporation, d/b/a CONSTRUCTION LENDING CORPORATION OF AMERICA as Mortgagee, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank, the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 12th day of July, 2001,

Notary Public

My Commission Expires: _____

