

THE UMBRELLA DECLARATION FOR
FAIRWAY RIDGE

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THE UMBRELLA DECLARATION FOR
FAIRWAY RIDGE

This Declaration is made by Northern Trust Bank/Lake Forest, not individually, but solely as Trustee under Trust Agreement dated December 18, 1981 and known as Trust No. 6907 ("Declarant").

RECITALS

Declarant is or may become the Record title holder of the Development Area which is legally described in Exhibit A hereto. Some or all of the Development Area shall be the subject of a phased residential development by the Declarant called "Fairway Ridge" (the "Development"). The Development shall include residences, parking areas, green space, walkways and driveways and may include recreational facilities.

The Declarant hereby subjects the Premises to the provisions of this Declaration. From time to time the Declarant may add portions of the Development Area to the Premises as more fully provided in Article Nine. Nothing in this Declaration shall be construed to require the Declarant to make additional portions of the Development Area part of the Premises. Those portions of the Development Area which are not made subject to this Declaration as part of the Premises may be used for any purpose not prohibited by law.

Portions of the Premises shall be designated on Exhibit B as "Community Area". The Community Area shall be owned and maintained by the Umbrella Association and shall be available for the use and enjoyment of all Residents. The cost of maintaining the Community Area shall be paid by the Owner of Dwelling Units on the Premises in equal shares for each Dwelling Unit.

Portions of the Community Area may be designated on Exhibit B as being "Limited Community Area". Limited Community Area shall be owned and maintained by the Umbrella Association. However, Limited Community Area shall be available for the use and enjoyment of Residents of Dwelling Units consisting of less than all of the Dwelling Units which are subject to this Declaration, which are designated on Exhibit B as being entitled to the right to use a particular Limited Community Area. The cost of maintaining a particular Limited Community Area shall be paid by the Owners of Dwelling Units which are entitled to use and enjoy the Limited Community Area, in equal shares for each Dwelling Unit.

The Development may include one or more "Neighborhoods", as set forth in Exhibit B. The Declarant may (but shall not be obligated to) designate a portion of the Premises in a Neighborhood as a "Neighborhood Facility" by so providing in Exhibit B. Each Neighborhood Facility will be owned and maintained by the Umbrella Association and will be available for use only by the Residents of Dwelling Units in the Neighborhood which includes the Neighborhood Facility. The cost of maintaining each Neighborhood Facility shall be paid by the Owners of Dwelling Units in the Neighborhood in equal shares for each Dwelling Unit. The Declarant may also designate in Exhibit B that certain "Neighborhood Wide Services" shall be furnished to Dwelling Units within a particular Neighborhood. Neighborhood Wide Services shall be furnished by the Umbrella Association as a Neighborhood Expense.

A portion of the Community Area or a portion of a Neighborhood Facility may be designated by the Declarant or the Umbrella Association Board as a "Privacy Area". A Privacy Area shall be assigned to a particular Dwelling Unit and the Owner of the Dwelling Unit to which it is assigned shall be responsible for the maintenance of the Privacy Area as more fully provided in this Declaration.

The Umbrella Association may furnish certain "Special Services" to certain Dwelling Units, as more fully provided in this Declaration. The cost of furnishing a particular Special Service shall be shared equally among the Dwelling Units which receive the Special Service.

This Declaration contains certain restrictions as to the use and enjoyment of Dwelling Units. Certain restrictions, which shall be set forth in Exhibit D to this Declaration (as amended or supplemented from time to time), shall apply to certain lots which will be specifically identified in Exhibit D. The Declarant reserves the right to impose special restrictions on a Dwelling Unit at the time that the Dwelling Unit is first made subject to this Declaration.

To provide for the orderly and proper administration and maintenance of the Development and for the architectural control of the Dwelling Units, the Declarant has or shall form the Umbrella Association under the Illinois General Not-For-Profit Corporation Act. The Umbrella Association shall have the responsibility for administering and maintaining the Community Area and Neighborhood Facilities and furnishing Neighborhood Wide Services and Special Services, and shall set budgets and fix assessments to pay the expenses incurred in connection with such duties.

During the construction and marketing of the Development, the Declarant shall retain certain rights set forth in this

Declaration. Prior to the Turnover Date the Declarant shall have the right to (i) cast all votes at any meeting of the members of the Umbrella Association, (ii) exercise the powers and duties of each Neighborhood Committee and (iii) appoint all members of the Umbrella Association Board.

NOW, THEREFORE, the Declarant declares as follows:

ARTICLE ONE
Definitions

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

1.01 **BUILDING**: A portion of the Premises which is improved with a structure containing Dwelling Units, including the structural components thereof.

1.02 **BY-LAWS**: The By-Laws of the Umbrella Association.

1.03 **CHARGES**: The Community Assessment, the Neighborhood Assessment, Limited Community Area Assessment, Special Service Fees, any special assessment levied by the Umbrella Association and/or any other charges or amounts which an Owner is required to pay or for which an Owner is liable under this Declaration or the By-Laws.

1.04 **COMMUNITY AREA**: Those portions of the Premises which are described and designated as "Community Area" in Exhibit B hereto, as Exhibit B may be amended or supplemented from time to time, together with all improvements located above and below the ground and rights appurtenant thereto. The Community Area shall generally include open space, detention areas, wetlands and green areas, and shall not include any Dwelling Units, Buildings or Neighborhood Facilities. The Community Area shall not include any water mains or sanitary sewers or other improvements which have been dedicated to the Village. The Declarant may from time to time make additional portions of the Development Area subject to this Declaration as "Added Community Area" pursuant to Article Nine.

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

1.06 **COMMUNITY EXPENSES**: The expenses of administration (including management and professional services), operation, maintenance, repair, replacement, landscaping and snow removal of the Community Area (other than Limited Community Area); the cost of insurance, water, electricity, telephone and other necessary utility expenses for the Community Area (other than Limited

Community Area); the cost of general and special real estate taxes and assessments levied or assessed against any portion of the Community Area (other than Limited Community Area) owned by the Umbrella Association; the cost of, and the expenses incurred for, the maintenance, repair and replacement of personal property acquired and used by the Umbrella Association in connection with the operation of the Community Area (other than Limited Community Area); the cost of maintenance of the landscaping of parkways on those portions of Leonard Drive which are adjacent to the Premises and the North parkway on Pebble Creek Drive; any expenses designated as Community Expenses by this Declaration; and any other expenses lawfully incurred by the Umbrella Association for the common benefit of all of the Owners. Community Expenses shall not include Neighborhood Expenses or Limited Community Area Expenses.

1.07 COUNTY: Lake County, Illinois, or any successor thereto.

1.08 DECLARANT: Northern Trust Bank/Lake Forest, not individually, but as Trustee under Trust Agreement dated December 18, 1981 and known as Trust No. 6907, its successors and assigns.

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

1.10 DEVELOPMENT AREA: The real estate described in Exhibit A hereto with all improvements thereon and rights appurtenant thereto. Any portions of the Development Area which are not part of the Premises may be developed and used for any purposes not prohibited by law, including, without limitation, as a residential development which is administered separate from the Development.

1.11 DWELLING UNIT: A portion of the Premises which is described and designated as a Dwelling Unit in Exhibit B. If two or more Dwelling Units are combined, each Dwelling Unit shall nevertheless be considered as a separate Dwelling Unit under this Declaration.

1.12 FIRST MORTGAGE: A bona fide first mortgage, first trust deed or equivalent security interest covering a Dwelling Unit.

1.13 FIRST MORTGAGEE: The holder of a First Mortgage.

1.14 INDEX RATIO: For purposes hereof: (i) The "Index" shall be the level of the most recently published Consumer Price Index - United States City Average - All Items (1982-84 = 100) as published from time to time by the Bureau of Labor Statistics or if the Index shall cease being published, such other index or standard designated by the Declarant, in its discretion, as shall

most nearly approximate the measurements theretofore made by the Index shall be used as the Index hereunder and the Index Base Level (hereinafter defined) shall be adjusted accordingly; (ii) the "Index Base Level" shall be 125; and (iii) the "Index Ratio" shall be a fraction, the numerator of which shall be the most recently published level of the Index and the denominator of which shall be the Index Base Level.

1.15 LIMITED COMMUNITY AREA: A portion of the Community Area which is designated for the exclusive use of the Owners and/or Residents of one or more Dwelling Units as designated herein or in Exhibit B or in a Supplement hereto, as provided in Article Nine.

1.16 LIMITED COMMUNITY AREA EXPENSES: With respect to a particular Limited Community Area, the expenses of administration (including management, security, and professional services), maintenance, operation, repair, and replacement of a particular Limited Community Area; the cost of insurance, real estate taxes and other assessments, if any, water, waste removal, electricity, telephone and other necessary utility expenses for the Limited Community Area; the cost of and the expenses incurred for the maintenance, repair and replacement of personal property used by the Umbrella Association only in connection with the operation of the Limited Community Area; any expense designated as a Limited Community Area Expense by this Declaration or any Exhibit hereto, as supplemented or amended from time to time; and any expenses incurred by the Umbrella Association which, pursuant to generally accepted accounting principles, can reasonably be allocated to the Limited Community Area. Limited Community Area Expenses shall not be deemed to be, and shall not be deemed to include, Community Expenses or Neighborhood Expenses. In the event that certain expenses are incurred by the Umbrella Association in connection with the operation of a particular Limited Community Area and another Limited Community Area and/or the Community Area (other than Limited Community Area) and/or a Neighborhood, the allocation of expenses between the various Limited Community Area Expenses, the Community Expenses and the various Neighborhood Expenses shall be made by the Umbrella Association Board based on generally accepted accounting principles, and any allocation so made shall be final and binding.

1.17 LIMITED COMMUNITY AREA ASSESSMENT: The amounts which the Umbrella Association shall assess and collect from the Owners of Dwelling Units which have the right to use a particular Limited Community Area to pay the Limited Community Area Expenses for the Limited Community Area and to accumulate Reserves for such expenses as more fully described in Section 7.02.

1.18 NEIGHBORHOOD: A portion of the Premises which is described and designated as a "Neighborhood" in Exhibit B hereto, as Exhibit B may be amended or supplemented from time to time,

and which shall consist of Dwelling Units and may include one or more Neighborhood Facilities. A Dwelling Unit may be part of one or more Neighborhoods or may not be part of any Neighborhood. The Declarant may make Added Premises part of an existing Neighborhood or may designate Added Premises as a new Neighborhood, as more fully described in Article Nine.

1.19 NEIGHBORHOOD ASSESSMENT: The amounts which the Umbrella Association shall assess and collect from the Owners of Dwelling Units located within a particular Neighborhood to pay the Neighborhood Expenses for the Neighborhood and to accumulate reserves for such expenses, as more fully described in Section 7.03.

1.20 NEIGHBORHOOD COMMITTEE: A Committee made up of five (5) individuals who represent the Owners whose Dwelling Units are located in a particular Neighborhood. The Neighborhood Committee for each Neighborhood shall be elected by the Voting Members who represent Dwelling Units in the Neighborhood as more fully provided in Article Six hereof and the By-Laws; provided, that, prior to the Turnover Date, the rights, duties and powers of each Neighborhood Committee shall be exercised by Declarant or Declarant's beneficiary, as provided in Section 10.05.

1.21 NEIGHBORHOOD EXPENSES: The expenses of administration (including management, security, and professional services), maintenance, operation, repair, and replacement of a Neighborhood Facility; the cost of insurance, real estate taxes and other assessments, if any, water, waste removal, electricity, telephone and other necessary utility expenses for the Neighborhood Facility; the cost of and the expenses incurred for the maintenance, repair and replacement of personal property used by the Umbrella Association only in connection with the operation of the Neighborhood Facility; the cost of furnishing Neighborhood Wide Services to all Dwelling Units in the Neighborhood; any expense designated as a Neighborhood Expense by this Declaration or any Exhibit hereto, as supplemented or amended from time to time; any expenses incurred by the Umbrella Association which, pursuant to generally accepted accounting principles, can reasonably be allocated to the Neighborhood; and any other expenses lawfully incurred by the Umbrella Association for the common benefit of the Neighborhood Owners. Neighborhood Expenses shall be determined on a Neighborhood by Neighborhood basis and no expenses incurred for any one Neighborhood shall be deemed to be a Neighborhood Expense for any other Neighborhood. Neighborhood Expenses shall not be deemed to be, and shall not be deemed to include, Community Expenses or Limited Community Area Expenses. In the event that certain expenses are incurred by the Umbrella Association in connection with the operation of a given Neighborhood Facility and another Neighborhood Facility and/or the Community Area, the allocation of expenses between the Community Expenses, the various Limited Community Area Expenses

and the various Neighborhood Expenses shall be made by the Umbrella Association Board based on generally accepted accounting principles, and any allocation so made shall be final and binding.

1.22 NEIGHBORHOOD FACILITY: A portion of the Premises which is a part of a Neighborhood and which is described and designated as a "Neighborhood Facility" in Exhibit B hereto, as Exhibit B may be amended or supplemented from time to time, together with all improvements thereon, rights appurtenant thereto, and all personal property used in connection with the operation thereof. A Neighborhood Facility shall not be deemed to be part of the Community Area.

1.23 NEIGHBORHOOD WIDE SERVICES: Those services which are described and designated as "Neighborhood Wide Services" in Exhibit B hereto and which shall be furnished to the Dwelling Units in a specific Neighborhood by the Umbrella Association as a Neighborhood Expense for the Neighborhood.

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

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

1.26 PREMISES: That portion of the Development Area which is described in Exhibit B hereto as the Premises, as Exhibit B may be amended from time to time, with all improvements thereon and rights appurtenant thereto. The Declarant may make additional portions of the Development Area part of the Premises as provided in Article Nine.

1.27 PRIVACY AREA: Those portions of the Community Area or a Neighborhood Facility, if any, which are designated as being for the exclusive use of an Owner, as more fully described in Section 3.15.

1.28 RECORD: To record in the Office of the Recorder of Deeds for the County.

1.29 RESIDENT: An individual who resides in a Dwelling Unit and who is either the Owner, a tenant of the Owner, a contract purchaser of the Dwelling Unit, or a relative of any such Owner, tenant or contract purchaser.

1.30 RESIDENTIAL ASSOCIATION: A condominium association created pursuant to a declaration of condominium ownership Recorded on portions of the Premises, the members of which are Owners of Dwelling Units which are part of a condominium located on the Premises; a non-condominium homeowners association created pursuant to a declaration Recorded on portions of the Premises; a cooperative housing corporation which owns a Building or Buildings on the Premises; or any other Person which may from time to time be responsible for administering a Building whose Owners are not members of a condominium association, non-condominium homeowners association or cooperative housing corporation, including, without limitation, a Person who owns a Building which is administered as a rental residential project.

1.31 SPECIAL SERVICES: Those services which are described and designated as "Special Services" in Exhibit C hereto and which shall be furnished to the Dwelling Units designated in Exhibit C by the Umbrella Association.

1.32 TURNOVER DATE: The date on which any one of the following shall first occur:

(a) Sixty (60) days after Declarant has conveyed 600 Dwelling Units to purchasers for value;

(b) The expiration of ten (10) years from the date of Recording hereof; or

(c) The date designated in written notice from the Declarant to each of the Owners as being the Turnover Date.

1.33 UMBRELLA ASSOCIATION: The Fairway Ridge Umbrella Association, an Illinois not-for-profit corporation, its successors and assigns.

1.34 UMBRELLA ASSOCIATION BOARD: The board of directors of the Umbrella Association, as constituted at any time or from time to time, in accordance with the applicable provisions of Article Six.

1.35 VILLAGE: The Village of Gurnee, Illinois or any successor thereto.

1.36 VOTING MEMBER: The individual who shall have the right to attend meetings of the members of the Umbrella Association and cast the vote or votes attributable to one or more Dwelling Units, as more fully provided in Article Six.

ARTICLE TWO
Scope of Declaration

2.01 PROPERTY SUBJECT TO DECLARATION: Declarant, as the owner of fee simple title to the Premises, expressly intends to and by Recording this Declaration, does hereby subject the Premises to the provisions of this Declaration. The Declarant reserves the right (but shall not be obligated) to add portions of the Development Area to the Premises from time to time as more fully provided in Article Nine hereof.

2.02 CONVEYANCES SUBJECT TO DECLARATION: All covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant to and running with the land and shall at all times inure to the benefit of and be binding upon any Person having at any time any interest or estate in any part of the Premises. Any deed of conveyance, lease, mortgage, trust deed, other evidence of obligation or other instrument relating to or affecting a portion of the Premises, shall be sufficient to create and reserve all of the covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved, or declared by this Declaration, as fully and completely as though they were set forth in their entirety in any such document, whether or not a specific reference is made in such document to this Declaration.

2.03 DURATION: Except as otherwise specifically provided herein, the covenants, conditions, restrictions, easements, reservations, liens and charges which are granted, created, reserved or declared by this Declaration shall be appurtenant to and shall run with and bind the land for a period of fifty (50) years from the date of Recording of this Declaration and thereafter for successive periods of ten (10) years each unless revoked, changed or amended in whole or in part by a Recorded instrument executed by Owners of not less than seventy-five percent (75%) of the Dwelling Units.

ARTICLE THREE
The Community Area and Neighborhood Facilities

3.01 OWNERSHIP: Any portion of the Premises which is designated as part of the Community Area or a Neighborhood Facility shall be conveyed to the Umbrella Association within 90 days after it is made subject to this Declaration. Any Community Area or Neighborhood Facility which is conveyed to the Umbrella Association by the Declarant shall be free and clear of any mortgage or trust deed whatsoever at the time of such conveyance.

3.02 ACCESS EASEMENT: Each Owner shall have a non-exclusive perpetual easement for ingress to and egress from his Dwelling Unit to public streets and roads over and across all walkways, private roads and driveways, if any, located on the Community Area or on the Neighborhood Facility in the Neighborhood of which his Dwelling Unit is a part, which easement shall run with the land, be appurtenant to and pass with the title to every Dwelling Unit. The County and the Village or any municipality or other governmental authority which has jurisdiction over the Premises shall have a non-exclusive easement of access over the Community Area and Neighborhood Facilities for police, fire, ambulance, waste removal, snow removal and other vehicles for the purpose of furnishing municipal or emergency services to the Development Area. The Umbrella Association, its employees, agents and contractors, shall have the right of ingress to, egress from and parking on the Community Area and Neighborhood Facilities, and the right to store equipment on the Community Area and Neighborhood Facilities, for the purposes of furnishing any maintenance, repairs or replacements of the Community Area and Neighborhood Facilities, as required or permitted hereunder.

3.03 RIGHT OF ENJOYMENT: Each Owner shall have the non-exclusive right and easement to use and enjoy the Community Area (except the Limited Community Areas). Each Owner shall have the non-exclusive right and easement to use and enjoy any Limited Community Areas assigned to his Dwelling Unit, in common with the Owners of other Dwelling Units to which such Limited Community Area is assigned. Each Owner of a Dwelling Unit which is part of a Neighborhood shall have the non-exclusive right and easement to use and enjoy the Neighborhood Facility, if any, which is part of the Neighborhood. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Dwelling Unit, subject to and governed by the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Umbrella Association Board.

3.04 DELEGATION OF USE: Subject to the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Umbrella Association, any Owner may delegate his right to use and enjoy the Community Area and Neighborhood Facility, if any, to Residents of his Dwelling Unit. An Owner shall delegate such rights to tenants and contract purchasers of the Dwelling Unit who are Residents. An Owner who is not a Resident of his Dwelling Unit may only use and enjoy the Community Area as permitted under rules and regulations adopted by the Umbrella Association Board.

3.05 RULES AND REGULATIONS: The use and enjoyment of the Community Area and Neighborhood Facilities shall at all times be

subject to reasonable rules and regulations duly adopted by the Umbrella Association.

3.06 MAINTENANCE, REPAIR AND REPLACEMENT:

(a) Except as otherwise provided in this Declaration, maintenance, repairs and replacements of the Community Area (including Limited Community Area) and the Neighborhood Facilities, shall be furnished by the Umbrella Association in accordance with the provisions of this Declaration and applicable requirements of the Village, and shall include, without limitation, the following:

(i) The maintenance (including street cleaning and snow removal), repair and replacement of the private roads, driveways, walks, paths, parking areas, access facilities, and of all other improvements on and through the Community Area and the Neighborhood Facilities; and

(ii) Added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Community Area and the Neighborhood Facilities, subject to applicable requirements of the Village and/or other governmental entities, if any.

Except as hereinafter provided in this Section, the costs of maintenance, repairs and replacement of (i) the Community Area shall be Community Expenses, (ii) each Limited Community Area shall be a Limited Community Area Expense which shall be paid by the Owners of Dwelling Units who have the right to use the Limited Community Area in equal shares for each Dwelling Unit and (iii) each Neighborhood Facility shall be a Neighborhood Expense for the Neighborhood of which the Neighborhood Facility is a part.

(b) Privacy Areas shall be maintained as provided in Section 3.15.

(c) In the event that any of the improvements to the Community Area, Limited Community Area or a Neighborhood Facility are damaged, then unless a resolution to the contrary is adopted within 90 days after the date of the damage by the affirmative vote of at least 75% of the votes of all Voting Members in the case of the Community Area (other than Limited Community Area), at least 75% of the votes of Voting Members who represent Dwelling Units which have the right to use the Limited Community Area which was damaged or 75% of the votes of Voting Members who represent the Dwelling Units in the Neighborhood which includes the damaged Neighborhood Facility, the damaged improvements shall be restored to their condition before such damage occurred. Any insurance proceeds from insurance policies covering the damage shall be used first to pay the cost thereof, and any excess

insurance proceeds shall be used to pay the Community Expenses, Limited Community Area Expenses or Neighborhood Expenses, as applicable. If the cost to repair a damaged improvement is in excess of available insurance proceeds, the difference shall be paid from applicable Reserves or as a Community Expense, Limited Community Area Expenses or Neighborhood Expense, as applicable.

3.07 DAMAGE BY RESIDENT: If, due to the act or omission of a Resident of a Dwelling Unit, or of a household pet or guest or other occupant or invitee of such Resident, damage shall be caused to the Community Area or a Neighborhood Facility and maintenance, repairs or replacements shall be required thereby, which would otherwise be a Community Expense, Limited Community Area Expense or a Neighborhood Expense, then the Owner of the Dwelling Unit in which such Resident resides shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Umbrella Association Board, to the extent not covered by insurance carried by the Umbrella Association.

3.08 ALTERATIONS, ADDITIONS OR IMPROVEMENTS: Alterations, additions or improvements to the Community Area may be made only pursuant to action of the Umbrella Association Board. The cost of any such alterations, additions or improvements to Community Area (other than Limited Community Area) shall be charged to all Owners of Dwelling Units in equal amounts for each Dwelling Unit. The cost of any such alterations, additions or improvements to a particular Limited Community Area shall be charged to the Owners of Dwelling Units who have the right to use the Limited Community Area in equal amounts for each Dwelling Unit. Alterations, additions and improvements to a Neighborhood Facility may be made only pursuant to a recommendation of the Neighborhood Committee for the Neighborhood which is approved by action of the Umbrella Association Board and the cost thereof shall be charged to the Owners of Dwelling Units in the Neighborhood in equal amounts for each Dwelling Unit. Any proposed alteration, addition or improvement to Community Area or a Neighborhood Facility which would result in a charge to a Dwelling Unit of more than Two Hundred Dollars (\$200.00) multiplied by the Index Ratio, shall not be authorized unless such proposed alteration, addition or improvement and the cost thereof is approved by the affirmative vote of at least sixty-seven percent (67%) of the votes cast by Voting Members who represent the Dwelling Units which would be assessed to pay the cost of the proposed alteration, addition or improvement at a duly called meeting of the Umbrella Association members. The cost of an alteration, addition or improvement made pursuant to this Section shall be paid either from Reserves or by way of a special assessment, all as more fully provided in Article Seven hereof.

3.09 EASEMENTS, LEASES, LICENSES AND CONCESSIONS: The Umbrella Association shall have the right and power from time to time (a) to lease or grant easements, licenses, or concessions

with regard to any portions or all of the Community Area or a Neighborhood Facility for such uses and purposes as the Umbrella Association Board deems to be in the best interests of the Owners including, without limitation, the right to grant easements relating to installation and operation of utilities, communication systems, satellite or cable television systems and similar and related purposes and/or (b) cancel, alter or modify any easement which affects any Community Area or any Neighborhood Facility and which does not benefit an Owner, as the Board in its discretion shall determine; provided, that, any action by the Umbrella Association Board taken pursuant to this sentence which would affect a Neighborhood Facility must be approved by the Neighborhood Committee for the Neighborhood. Any and all proceeds from leases, easements, licenses or concessions with respect to the Community Area shall be used to pay the Community Expenses or Limited Community Area Expenses, as applicable, and any such proceeds with respect to a Neighborhood Facility shall be used to pay the Neighborhood Expenses for the Neighborhood. Each Person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Dwelling Unit, shall be deemed to grant a power coupled with an interest to the Umbrella Association Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easement or to make dedications as provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Umbrella Association and duly Recorded.

3.10 INSURANCE:

(a) The Umbrella Association shall have the authority to and shall obtain fire and all risk coverage insurance covering the improvements to the Community Area and each Neighborhood Facility owned by the Umbrella Association (based on current replacement cost for the full insurable replacement value of such improvements, to the extent that such coverage is available at a reasonable cost).

(b) The Umbrella Association shall have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workmen's compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, the Umbrella Association, its directors and officers, the Declarant (and if Declarant is a land trust, its beneficiary) the managing agent, if any, and their respective employees and agents, as their interests may appear, from liability resulting from an occurrence on, or in connection with, the Community Area and the Neighborhood Facilities. The Umbrella Association Board may, in its discretion, obtain any other insurance which it deems advisable including, without limitation, insurance covering the

directors and officers from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 6.07. Such insurance coverage shall include cross liability claims of one or more insured parties.

(c) Fidelity bonds indemnifying the Umbrella Association, the Umbrella Association Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Umbrella Association or of any other person handling funds of the Umbrella Association shall be obtained by the Umbrella Association in such amounts as the Umbrella Association Board shall deem desirable but in no event less than those required in order to comply with the requirements of the Federal National Mortgage Association (or its successors) in effect from time to time.

(d) The Umbrella Association and each Owner hereby waive and release any and all claims which it or he may have against any Owner, the Umbrella Association, its directors and officers, the Declarant (and, if Declarant is a land trust, its beneficiary), the managing agent, if any, and their respective employees and agents for damage to the Community Area or any Neighborhood Facility, or to any personal property located in the Community Area or any Neighborhood Facility caused by fire or other casualty, to the extent that such damage is covered by fire or other forms of casualty insurance, and to the extent this release is allowed by policies for such insurance. To the extent possible, all insurance policies secured by the Umbrella Association Board under subsections (a) and (b) shall contain waivers of the insurer's rights to subrogation against any Owner, the Umbrella Association, its directors and officers, the Declarant (and if Declarant is a land trust, its beneficiary), the managing agent, if any, and their respective employees and agents.

3.11 CONDEMNATION: In the case of a taking or condemnation by competent authority of any part of the Community Area or a Neighborhood Facility owned by the Umbrella Association, the proceeds awarded in such condemnation shall be paid first to satisfy any indebtedness secured by a mortgage or other lien encumbering such portion of the Community Area or Neighborhood Facility and the balance to the Umbrella Association. The proceeds, if any, paid to the Umbrella Association, together with any Reserve being held for such part of the Community Area or Neighborhood Facility, shall be used first to restore the remaining Community Area or Neighborhood Facility in the vicinity of the portion that was taken to conform as closely as possible to the general appearance and design of the remaining Community Area or Neighborhood Facility, and the balance, if any, shall, in the discretion of the Umbrella Association Board, either (i) be distributed to the Owners who have the right to use such

Community Area or Neighborhood Facility and their respective First Mortgagees, as their interests may appear, in equal shares, or (ii) be used to acquire additional real estate to be used and maintained for the mutual benefit of all Owners, as Community Area or a Neighborhood Facility for the Neighborhood. Any acquisition by the Umbrella Association, pursuant to this Section, of real estate which shall become Community Area or a Neighborhood Facility hereunder shall not become effective unless and until a supplement to this Declaration, which refers to this Section and legally describes the real estate affected, is executed by the president of the Umbrella Association, attested by the secretary of the Umbrella Association and Recorded.

3.12 NO DEDICATION TO PUBLIC USE: Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Community Area or a Neighborhood Facility to or for any public use or purpose whatsoever.

3.13 UTILITY COSTS RELATED TO COMMUNITY AREA BILLED TO OWNERS: Certain utility charges incurred in connection with the use, operation and maintenance of the Community Area or a Neighborhood Facility may not be separately metered to the Community Area or a Neighborhood Facility. If such charges are metered to an individual Dwelling Unit rather than being separately metered for the Community Area or a Neighborhood Facility, then the following shall apply:

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

(b) If, in the opinion of the Umbrella Association Board, the Owner of a Dwelling Unit is being billed disproportionately for costs allocable to the Community Area or a Neighborhood Facility, then the Umbrella Association shall pay, or reimburse such Owner, an amount equal to the portion of the bill which in the reasonable determination of the Umbrella Association Board is properly allocable to the Community Area or Neighborhood Facility, as the case may be, and the amount thereof shall be Community Expenses, Limited Community Area Expenses or Neighborhood Expenses, hereunder, as applicable.

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

3.14 EASEMENT FOR ENCROACHMENT: If by reason of the design, construction, reconstruction, settlement or shifting of any Building or other improvement located on the Premises:

(a) A Dwelling Unit or any Building shall encroach upon another Dwelling Unit or upon the Community Area or a Neighborhood Facility;

(b) Improvements to the Community Area or a Neighborhood Facility shall encroach upon a Dwelling Unit, the common elements of a condominium or any Building;

then there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof; provided, however, that no such easement shall be created or exist in favor of an Owner (other than the Declarant) if such encroachment occurred due to or resulted from the intentional, willful or negligent conduct of the Owner or the Owner's agents. The Person who is responsible for the maintenance of any encroaching improvement for which an easement for continuance, maintenance, repair and replacement thereof is granted under this Section shall continue to be responsible for the maintenance of such encroaching improvement and the Person who is responsible for the maintenance of the real estate upon which such improvement encroaches shall not have the duty to maintain, repair or replace any such encroaching improvement unless otherwise provided in this Declaration.

3.15 PRIVACY AREAS: Certain portions of the Community Area or a Neighborhood Facility may be designated as being reserved for the exclusive use of the Owner of a particular Dwelling Unit as a garden or other similar use ("Privacy Area"), as provided in this Section. The Declarant may designate portions of the Community Area or a Neighborhood Facility as Privacy Areas by so designating such portions in Exhibit B. Alternatively, the Board may designate Privacy Areas pursuant to rules and regulations adopted from time to time by the Umbrella Association Board. The Umbrella Association Board shall maintain a record of all Privacy Areas and to which Dwelling Unit each Privacy Area is assigned. The right to use a Privacy Area which is assigned to a Dwelling Unit shall run with title to the Dwelling Unit. Subject to the rules and regulations established by the Umbrella Association Board, an Owner may landscape his Privacy Area, may construct a deck or patio thereon or may otherwise improve his Privacy Area in a manner which compliments and enhances the aesthetic appearance of the Development; provided, that, no shed, outbuilding, addition to the home or fence shall be constructed on a Privacy Area without the prior approval of the Umbrella Association Board or pursuant to rules and regulations adopted by the Umbrella Association Board. The Owner shall be solely responsible, at his own expense, for the maintenance, repair, upkeep, planting and replanting of his Privacy Area and any improvements thereto. If the Owner fails, in the sole judgment of the Umbrella Association Board, to properly maintain his Privacy Area, then the Association, in its discretion and at the

Owner's expense, may (i) cause the Privacy Area to be properly maintained and the cost thereof shall be a Charge to the Owner, or (ii) cause the Privacy Area to be restored to its original state in conformity with the surrounding landscape, in which case such portion of the Community Area or Neighborhood Facility shall no longer be deemed to be a Privacy Area and the Owner shall no longer have any rights under this Section with respect to such portion of the Community Area or Neighborhood Facility, as applicable.

ARTICLE FOUR Restrictions

4.01 RESTRICTIONS/SIGNS: No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Community Area or any Neighborhood Facility. No "For Sale" or "For Rent" signs or any other advertising shall be maintained or permitted on any part of the Community Area or any Neighborhood Facility, except as permitted by the Umbrella Association Board. The activities of the Declarant (or Declarant's beneficiary) in connection with the construction and marketing of the Development and the activities of any managing agent performed pursuant to a management contract between such managing agent and the Umbrella Association or any Residential Association shall not be subject to restrictions set forth in this Section.

4.02 OBSTRUCTIONS: Except as permitted under Section 10.03 or as necessary to perform maintenance of, or make improvements to, the Community Area or a Neighborhood Facility, there shall be no obstruction of the Community Area or any Neighborhood Facility or of any emergency access or construction gates. No Owner shall store any items or materials in the Community Area without the prior written consent of the Umbrella Association Board or in a Neighborhood Facility without the prior written consent of the Neighborhood Committee for the Neighborhood.

4.03 PETS: No animal of any kind shall be raised, bred or kept in the Community Area or any Neighborhood Facility. The Umbrella Association Board may from time to time adopt rules and regulations governing the use of the Community Area or any Neighborhood Facility by pets, including, without limitation, rules and regulations which set aside certain portions of the Community Area or a Neighborhood Facility as a "dog run" or which require an Owner to clean up after his pet. Common household pets shall be permitted in Dwelling Units subject to rules and regulations adopted from time to time by the Umbrella Association Board. Any pet causing or creating a nuisance or unreasonable disturbance to an Owner shall be permanently removed from the Premises upon three (3) days written notice from the Umbrella Association Board to the Owner of the Dwelling Unit containing

such pet and the decision of the Umbrella Association Board shall be final.

4.04 PROSCRIBED ACTIVITIES: No noxious or offensive activity shall be carried on in the Premises nor shall anything be done therein, either willfully or negligently, which may be or become an unreasonable annoyance or nuisance to the Residents.

4.05 STRUCTURAL IMPAIRMENT: Nothing shall be done in, on or to the Premises which would impair the structural integrity of any Building or other structure located thereon.

4.06 PROHIBITED USES AND STRUCTURES: Unless permitted by the Umbrella Association Board, no clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of any Dwelling Unit, Building, the Community Area or any Neighborhood Facility. No antennae or satellite dish shall be constructed or erected on the exterior of any Building without the prior written approval of the Umbrella Association Board. The Premises shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Umbrella Association Board. Except for garbage pick up days, all garbage cans shall be kept inside garages or other structures approved by the Umbrella Association Board.

4.07 PARKING: Any outdoor parking areas located on the Community Area or a Neighborhood Facility shall be used as parking for guests of Residents or as otherwise permitted by the Umbrella Association Board in accordance with reasonable rules and regulations. No boats, trailers, trucks (other than a pick up truck), recreational vehicles or similar vehicles shall be stored or parked overnight on any portion of the Premises (other than inside a garage) except as permitted under rules and regulations adopted by the Umbrella Association Board and the applicable ordinance and regulations of the Village.

4.08 SPECIAL USE AND OCCUPANCY RESTRICTIONS. Declarant reserves the right and power to impose special use and occupancy restrictions on certain Dwelling Units. Any such restrictions shall be set forth in Exhibit D hereto, as Exhibit D may be amended from time to time as provided in Article Nine hereof.

ARTICLE FIVE

Architectural Control/Dwelling Unit Maintenance

5.01 OVERALL CONTROL: The Umbrella Association Board, or a duly authorized committee thereof created pursuant to the By-Laws, shall have the right and power from time to time to adopt reasonable rules and regulations governing the architectural design and exterior finish of all Buildings, structures or

improvements from time to time located on the Premises and the landscaping of the Premises or parts thereof. In the event of a conflict between rules and regulations or other actions taken by a Residential Association relating to or affecting the architectural design and exterior finish of any Building (including garage doors) and those of the Umbrella Declaration, the rules, regulations and actions of the Umbrella Association shall govern. Without limiting the foregoing, no additions, alterations or improvements shall be made to the exterior of any Dwelling Unit (including a change in color of the exterior surfaces, the construction of any outbuildings, fences or other structures or any material change in the landscaping) without the prior written consent of the Umbrella Association Board or its authorized committee. If an addition, alteration or improvement is made to the exterior of a Dwelling Unit which requires the prior written consent as required hereunder but such consent is not obtained, then the Umbrella Association Board may, in its discretion, take any of the following actions:

(a) Require the Owner to remove the addition, alteration or improvement and restore the exterior of the Dwelling Unit to its original condition, all at the Owner's expense; or

(b) If the Owner refuses or fails to properly perform the work required under (a), the Umbrella Association Board may cause such work to be done and may charge the Owner for the cost thereof as determined by the Umbrella Association Board; or

(c) Seek any remedy or take any action provided for herein or permitted at law or in equity.

5.02 DECLARANT'S RIGHTS: The provisions of Section 5.01 shall not apply to any construction at any time performed by Declarant, or its employees, agents or contractors, on any part or parts of the Premises, including, without limitation, the architectural design, construction, alteration, improvement, or decorating of any Buildings, any improvements to the Community Area, or any Neighborhood Facility or any landscaping of any part of the Premises.

5.03 DWELLING UNIT MAINTENANCE:

(a) Except for Special Services and Neighborhood Wide Services, if any, which shall be furnished by the Umbrella Association to a Dwelling Unit as described in (b) and (c) below or waste removal services, if any, furnished as provided in (d) below, each Owner of a Dwelling Unit and/or the Residential Association of which the Owner is a member shall be responsible for the maintenance, repair and replacement of his Dwelling Unit. If in the sole judgment of the Umbrella Association Board an

Owner or a Residential Association has failed to maintain those portions of the Dwelling Unit for which he or it is responsible in good condition and repair or the appearance of such portions is not of the character and quality of that of other Dwelling Units in the Development, or in compliance with rules and regulations adopted by the Umbrella Association Board from time to time, then without limiting any rights or remedies available to the Umbrella Association Board hereunder or at law, the Umbrella Association Board may cause any maintenance or repair work which it deems necessary or appropriate to be performed and the cost thereof shall be a Charge hereunder and shall be payable by the Owner of the Dwelling Unit or the Residential Association, as applicable, to the Umbrella Association upon demand.

(b) If pursuant to the provisions of this Declaration or Exhibit C hereto, the Umbrella Association is required to furnish Special Services to certain Dwelling Units, then the Umbrella Association shall furnish those Special Services and the cost of furnishing the Special Services shall be charged to all Owners of Dwelling Units which receive the Special Services in equal amounts for each Dwelling Unit, as more fully provided in Section 7.09 hereof.

(c) The Umbrella Association shall furnish Neighborhood Wide Services to all Dwelling Units in the Neighborhood to which such services are to be furnished as provided in Exhibit B and the cost thereof shall be a Neighborhood Expense for the Neighborhood.

(d) The Umbrella Association Board, in its discretion, may cause waste removal services to be furnished to all Dwelling Units which are subject to this Declaration or to all Dwelling Units within a Neighborhood and charge the cost thereof as a Community Expense (if all Dwelling Units are benefitted) or as a Neighborhood Expense for a particular Neighborhood (if all Dwelling Units in the Neighborhood are benefitted).

(e) The Umbrella Association shall have the right and power to come onto any Dwelling Unit for the purpose of furnishing the services required or permitted to be furnished hereunder or enforcing its rights and powers hereunder.

ARTICLE SIX
The Umbrella Association

6.01 IN GENERAL: Declarant has caused or shall cause the Umbrella Association to be incorporated as a not-for-profit corporation under Illinois law. The Umbrella Association shall be the governing body for all of the Owners for the administration and operation of the Community Area and all Neighborhood Facilities.

6.02 MEMBERSHIP: Each Owner shall be a member of the Umbrella Association. There shall be one membership per Dwelling Unit. Membership shall be appurtenant to and may not be separated from ownership of a Dwelling Unit. Ownership of a Dwelling Unit shall be the sole qualification for membership.

6.03 VOTING RIGHTS: One individual shall be designated by each Owner to be the "Voting Member" with respect to the Dwelling Unit or Dwelling Units owned by the Owner. Prior to the Turnover Date, all of the voting rights of the Owners at any meeting of the members of the Umbrella Association or otherwise shall be vested exclusively in the Declarant, and Owners other than the Declarant shall have no voting rights. From and after the Turnover Date, all of the voting rights at any meeting of the members of the Umbrella Association or otherwise shall be vested in the Voting Members. Each Voting Member shall have the number of votes equal to the number of Dwelling Units represented by the Voting Member. From and after the Turnover Date any action may be taken by the Voting Members at any meeting at which a quorum is present (as provided in the By-Laws) upon an affirmative vote of a majority of the votes represented at the meeting by the Voting Members present at such meeting, except as otherwise provided herein or in the By-Laws.

6.04 UMBRELLA ASSOCIATION BOARD: Subject to the rights retained by the Declarant under Section 10.05, each member of the Umbrella Association Board shall be an Owner or a Voting Member and the Umbrella Association Board shall consist of that number of members provided for in the By-Laws.

6.05 NEIGHBORHOOD COMMITTEE: Prior to the Turnover Date all rights, duties and powers of a Neighborhood Committee shall be exercised by Declarant or Declarant's beneficiary. After the Turnover Date, the Neighborhood Committee for each Neighborhood shall consist of five (5) individuals, each of whom shall be an Owner of, or Voting Member for, a Dwelling Unit in the Neighborhood. The members of each Neighborhood Committee shall be elected by the Voting Members representing Dwelling Units in the Neighborhood as provided in the By-Laws.

6.06 MEETING OF THE UMBRELLA ASSOCIATION BOARD: Each meeting of the Umbrella Association Board shall, to the extent required by applicable law, be open to any Owner and notice of such meeting shall be mailed or personally delivered to each member of the Umbrella Association Board and posted conspicuously on the Premises, at least forty-eight (48) hours prior to the meeting so as to notify all Owners of the time and place of the meeting. For any meeting of the Umbrella Association Board concerning the adoption of the proposed annual budget or any increase in the Community Assessment or a Neighborhood Assessment, notice of such meeting, shall be mailed or delivered

to each Owner at least ten (10) but no more than thirty (30) days prior to such meeting.

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

6.08 MANAGING AGENT: Declarant's beneficiary or an affiliate of Declarant's beneficiary may be engaged by the Umbrella Association to act as the managing agent for the Umbrella Association and as managing agent shall be paid a reasonable fee for its services as fixed by a written agreement between the Umbrella Association and the managing agent. Any management agreement entered into by the Umbrella Association prior to the Turnover Date shall have a term of not more than two years and shall be terminable by the Umbrella Association without cause or payment of a termination fee by either party on ninety (90) days written notice.

6.09 LITIGATION: No judicial or administrative proceedings shall be commenced or prosecuted by the Umbrella Association

without first holding a special meeting of the members and obtaining the affirmative vote of Voting Members representing at least seventy-five percent (75%) of total votes of all Voting Members to the commencement and prosecution of the proposed action. This Section shall not apply to (a) any actions brought by the Umbrella Association to enforce the provisions of this Declaration, the By-Laws or rules and regulations adopted by the Board (including, without limitation, an action to recover Charges or to foreclose a lien for unpaid Charges) or (b) counterclaims brought by the Umbrella Association in proceedings instituted against it.

6.10 CENTRAL RECREATIONAL FACILITY FEE. Some or all Owners of Dwelling Units which are subject to this Declaration shall be required to pay a Central Recreational Facility Fee to the owner of what is commonly referred to as the "HeatherRidge Central Recreational Facility" pursuant to that certain Agreement between Cambridge Homes, Inc. and HeatherRidge Development Company dated September 6, 1988 and Recorded June 30, 1989 as Document No. 2807039, as amended from time to time. The Umbrella Association may be engaged by the owner from time to time of the Central Recreational Facility to act as agent for the purpose of collecting the Central Recreational Facility Fee. If the Umbrella Association is so engaged, it will be entitled to receive a fee for its services, but will not be obligated to pursue collection from an Owner who fails or refuses to pay the Central Recreational Facility Fee.

ARTICLE SEVEN
Umbrella Association Assessments

7.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Umbrella Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of members of the Umbrella Association, to administer the affairs of the Umbrella Association, to pay the Community Expenses, Limited Community Expenses and Neighborhood Expenses, and to accumulate reserves for any such expenses.

7.02 COMMUNITY ASSESSMENT: Each year at least sixty (60) days before the beginning of the Umbrella Association's next fiscal year, the Umbrella Association Board shall adopt and furnish each Owner with a budget for the ensuing calendar year, which shall show the following with reasonable explanations and itemizations:

- (a) The estimated Community Expenses;
- (b) The estimated amount, if any, to maintain adequate reserves for Community Expenses, including, without limitation, amounts to maintain the Reserve for the Community Area;

(c) The estimated net available cash receipts from the operation and use of the Community Area plus estimated excess funds, if any, from the current year's assessments;

(d) The amount of the "Community Assessment" payable by the Owners, which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) above, minus the amount determined in (c) above;

(e) The "Estimated Total Community Assessment Months", which shall be the total number of monthly assessments which the Umbrella Association Board estimates will be payable during the ensuing year; and

(f) That portion of the Community Assessment which shall be payable each month by the Owner of each Dwelling Unit which is subject to assessment hereunder (as provided in Section 7.05), which shall be equal to the Community Assessment divided by the Estimated Total Community Assessment Months.

Anything herein to the contrary notwithstanding the following provisions shall apply with respect to the period prior to the Turnover Date. Any budget prepared by the Umbrella Association Board prior to the Turnover Date shall be based on the assumptions that (i) the Development has been fully constructed as shown on Declarant's or Declarant's beneficiary's then current plan for the Development and (ii) all proposed Dwelling Units have been sold and are occupied. The current plan for the Development shall be kept on file with the Umbrella Association and may be modified from time to time by Declarant or Declarant's beneficiary. Declarant shall not be obligated to pay any Community Assessments to the Umbrella Association prior to the Turnover Date. However, if with respect to the period commencing on the date of the Recording of this Declaration and ending on the Turnover Date, the amount of Community Assessments payable by Owners (other than Declarant) less the portions thereof which are to be added to Reserves is less than the Community Expenses actually incurred with respect to such period, then the Declarant shall pay the difference to the Umbrella Association. From time to time prior to the Turnover Date the Declarant shall deposit with the Umbrella Association amounts which reasonably approximate Declarant's obligation hereunder as estimated by the Declarant. A final accounting and settlement of the amount, if any, owed by Declarant to the Umbrella Association shall be made as soon as practicable after the Turnover Date.

7.03 LIMITED COMMUNITY AREA ASSESSMENT: Each year at least sixty (60) days before the beginning of the Umbrella Association's next fiscal year, the Umbrella Association Board shall adopt and furnish each Owner with a budget for the ensuing

calendar year for each Limited Community Area, which shall show the following with reasonable explanations and itemizations:

(a) The estimated Limited Community Area Expenses for the Limited Community Area;

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

(c) The estimated net available cash receipts from the operation and use of the Limited Community Area plus estimated excess funds, if any, from the current year's assessments;

(d) The amount of the "Limited Community Area Assessment" payable by the Owners of Dwelling Units which benefit from the Limited Community Area, which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) above, minus the amount determined in (c) above with respect to the Limited Community Area;

(e) The "Estimated Total Limited Community Area Assessment Months", which shall be the total number of monthly assessments which the Umbrella Association Board estimates will be payable during the ensuing year by Owners of Dwelling Units which have a right to use the Limited Community Area; and

(f) That portion of the Limited Community Area Assessment which shall be payable each month by the Owner of each Dwelling Unit which is subject to assessment hereunder (as provided in Section 7.05), which shall be equal to the Limited Community Area Assessment divided by the Estimated Total Limited Community Assessment Months.

Anything herein to the contrary notwithstanding the following provisions shall apply with respect to the period prior to the Turnover Date. Any budget prepared by the Umbrella Association Board prior to the Turnover Date for a particular Limited Community Area shall be based on the assumption that the number of Dwelling Units which will be assessed to pay the Limited Community Area Expenses for the Limited Community Area will be equal to the number of Dwelling Units which the Developer's beneficiary plans to grant the right to use such Limited Community Area. Each time Limited Community Area is made subject to this Declaration, the Declarant or Declarant's beneficiary shall advise the Umbrella Association Board of the proposed number of Dwelling Units which may be assigned the right to use the Limited Community Area and such number may be modified from time to time by Declarant or Declarant's beneficiary. Declarant

shall not be obligated to pay any Limited Community Area Assessments to the Umbrella Association prior to the Turnover Date. However, if with respect to the period commencing on the date of the Recording of this Declaration and ending on the Turnover Date, the amount of Limited Community Area Assessments payable by Owners (other than Declarant) less the portions thereof which are to be added to Reserves is less than the Limited Community Area Expenses actually incurred with respect to such period, then the Declarant shall pay the difference to the Umbrella Association. From time to time prior to the Turnover Date the Declarant shall deposit with the Umbrella Association amounts which reasonably approximate Declarant's obligation hereunder as estimated by the Umbrella Association Board. A final accounting and settlement of the amount, if any, owed by Declarant to the Umbrella Association shall be made as soon as practicable after the Turnover Date.

7.04 NEIGHBORHOOD ASSESSMENT: Each year at least sixty (60) days before the beginning of the Umbrella Association's next fiscal year, the Umbrella Association Board, after consultation with and concurrence of the Neighborhood Committee which represents each Neighborhood, shall adopt and furnish each Neighborhood Owner with a budget for his Neighborhood for the ensuing calendar year which shall show the following with reasonable explanations and itemizations:

- (a) The estimated Neighborhood Expenses;
- (b) The estimated amount, if any, to maintain adequate reserves for Neighborhood Expenses including, without limitation, amounts to maintain the Reserves with respect to the Neighborhood Facility;
- (c) The estimated net available cash receipts from the operation and use of the Neighborhood Facility, plus excess funds, if any, from the current year's assessments;
- (d) The amount of the "Neighborhood Assessment," which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) above, minus the amount determined in (c) above;
- (e) The "Total Neighborhood Dwelling Unit Assessment Months", which is hereby defined as the sum of the number of monthly assessments which the Umbrella Association Board estimates shall be payable with respect to Dwelling Units within the Neighborhood during the ensuing year; and
- (f) That portion of the Neighborhood Assessment which shall be payable each month by the Owner of each Dwelling Unit in the Neighborhood which is subject to assessment hereunder (as provided in Section 7.05), which shall be

equal to the Neighborhood Assessment divided by the Total number of Neighborhood Dwelling Unit Assessment Months.

Anything herein to the contrary notwithstanding the following provisions shall apply with respect to the period prior to the Turnover Date. Any budget prepared by the Umbrella Association Board for a particular Neighborhood prior to the Turnover Date shall be based on the assumption that the Neighborhood has been fully constructed as shown on Declarant's or Declarant's beneficiary's then current plan for the Neighborhood and all proposed Dwelling Units in the Neighborhood have been sold and are occupied. The current plan for each Neighborhood shall be kept on file with the Umbrella Association and may be modified from time to time by Declarant or Declarant's beneficiary. Declarant shall not be obligated to pay any Neighborhood Assessments to the Umbrella Association prior to the Turnover Date. However, if with respect to the period commencing on the date of the Recording of this Declaration and ending on the Turnover Date, the amount of Neighborhood Assessments payable by Owners of Dwelling Units in the Neighborhood (other than Declarant) less the portions thereof which are to be added to Reserves is less than the Neighborhood Expenses actually incurred with respect to such period, then the Declarant shall pay the difference to the Umbrella Association. From time to time prior to the Turnover Date the Declarant shall deposit with the Umbrella Association amounts which reasonably approximate Declarant's obligation hereunder as estimated by the Umbrella Association Board. A final accounting and settlement of the amount, if any, owed by Declarant to the Umbrella Association shall be made as soon as practicable after the Turnover Date.

7.05 PAYMENT OF ASSESSMENTS: On or before the first day of the ensuing fiscal year, and on or before the first day of each and every month thereafter until the effective date of the next annual or revised Community Assessment, Limited Community Area Assessment or Neighborhood Assessment, each Owner of a Dwelling Unit which is subject to assessment shall pay to the Umbrella Association, or as the Umbrella Association Board may direct, that portion of the Community Assessment, Limited Community Area Assessment, if any, and the Neighborhood Assessment, if any, which is payable by each Owner of a Dwelling Unit under Sections 7.02(f), 7.03(f) and 7.04(f), as applicable. Anything in this Declaration to the contrary notwithstanding, a Dwelling Unit shall not be deemed to be subject to assessment hereunder until such time at the Dwelling Unit is either conveyed by Declarant to a purchaser for value or first occupied as a residence, whichever occurs first.

7.06 SPECIAL ASSESSMENT: After the Turnover Date, the Umbrella Association Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Community Expenses, Limited Community Area

Expenses or Neighborhood Expenses incurred (or to be incurred) by the Umbrella Association from time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Community Area, Limited Community Area, a Neighborhood Facility, or any other property owned or maintained by the Umbrella Association, (ii) to cover an unanticipated deficit under the prior year's budget, or (iii) to supplement the current year's Community Assessment, Limited Community Area Assessment or Neighborhood Assessment. A special assessment for a Neighborhood shall be allocated among the Dwelling Units in the Neighborhood, in equal shares, and shall be approved by the Neighborhood Committee. A special assessment for the Community Area or matters affecting all Owners shall be allocated among all Dwelling Units in equal shares. A special assessment for Limited Community Area shall be allocated among the Dwelling Units which have the right to use the Limited Community Area, in equal shares for each such Dwelling Unit. No special assessment which shall require the aggregate payment with respect to a Dwelling Unit of greater than five (5) times the most recent monthly Community Assessment for such Dwelling Unit shall be adopted without the affirmative vote of at least sixty-seven percent (67%) of the votes of Voting Members representing Dwelling Units which would be subject to the special assessment who cast their votes on the question. The Umbrella Association Board shall serve notice of a special assessment on all Owners of Dwelling Units which shall be subject to the special assessment by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Umbrella Association Board, with the concurrence of the Neighborhood Committee in the case of a special assessment with respect to a Neighborhood. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

7.07 RESERVES: The Umbrella Association shall segregate and maintain special reserve accounts to be used solely for making major repairs or replacements in connection with the Community Area, each Limited Community Area and each Neighborhood (the "Reserves"). The Umbrella Association Board shall determine the appropriate level of Reserves based on a periodic review of the useful life of improvements to the Community Area, each Limited Community Area, each Neighborhood Facility the improvements with respect to which Neighborhood Wide Services are furnished hereunder and other property owned by the Umbrella Association and periodic projections of the cost of anticipated major repairs or replacements to such improvements. The Reserves may be built up by special assessment or out of the Community Assessment, Limited Community Area Assessments or Neighborhood Assessments, as applicable. Each budget shall disclose that

percentage of the Community Area Assessment, Limited Community Area Assessment or Neighborhood Assessment, as applicable, which shall be added to the Reserves.

7.08 INITIAL CAPITAL CONTRIBUTION: Upon the closing of the sale of each Dwelling Unit by the Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Umbrella Association in an amount equal to three (3) months' Community Assessment, Limited Community Area Assessment and Neighborhood Assessment at the rate then in effect with respect to the Dwelling Unit as of the closing. Said amount shall be held and used by the Umbrella Association for its working capital needs.

7.09 COST OF SPECIAL SERVICES: If the Umbrella Association is required to furnish Special Services to Dwelling Units as provided in Exhibit C hereto, then the cost of furnishing each category of Special Services shall be paid by the Owners of benefited Dwelling Units in equal amounts for each benefited Dwelling Unit. The Umbrella Association Board may collect the estimated cost of furnishing each category of Special Services based on reasonable estimates thereof in such installments and upon such frequency as the Umbrella Association Board shall determine, in its discretion. The Umbrella Association Board may adjust the amount payable or refund excess amounts collected based on the actual cost as determined by the Umbrella Association Board from time to time. Any amount required to be paid by an Owner for or in connection with the furnishing of Special Services to his Dwelling Unit shall be a Charge hereunder.

7.10 FINANCIAL STATEMENTS. Within a reasonable time after the close of each fiscal year, the Umbrella Association Board shall furnish each Owner with a balance sheet and financial statement for the Umbrella Association for the preceding year.

ARTICLE EIGHT Collection of Charges

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

obligation created under this Section shall be in favor of and shall be enforceable by the Umbrella Association.

8.02 NON-PAYMENT OF CHARGES: Any Charge which is not paid to the Umbrella Association when due shall be deemed delinquent. Any Charge which is delinquent for thirty (30) days or more shall bear interest at the contract rate of interest then permitted in Illinois but not to exceed eighteen percent (18%) per annum from the due date to the date when paid and the Umbrella Association may assess a reasonable late fee and may (i) bring an action against the Owner personally obligated to pay the Charge to recover the Charge (together with interest, costs and reasonable attorney's fees for any such action, which shall be added to the amount of the Charge and included in any judgment rendered in such action), and (ii) enforce and foreclose any lien which it has or which may exist for its benefit. No Owner may waive or otherwise escape personal liability for the Charges hereunder by nonuse of the Community Area, or by abandonment or transfer of his Dwelling Unit.

8.03 LIEN FOR CHARGES SUBORDINATED TO MORTGAGES: The lien for Charges, provided for in Section 8.01, shall be subordinate to a First Mortgage on the Dwelling Unit which was Recorded prior to the date that any such Charge became due and shall be on a parity with any lien for assessments levied by any Residential Association on the Dwelling Unit. Except as hereinafter provided, the lien for Charges, provided for in Section 8.01, shall not be affected by any sale or transfer of a Dwelling Unit. Where title to a Dwelling Unit is transferred pursuant to a decree of foreclosure of the First Mortgage or by deed or assignment in lieu of foreclosure of the First Mortgage, such transfer of title shall extinguish the lien for unpaid Charges which became due prior to the date of the transfer of title. However, the transferee of the Dwelling Unit shall be personally liable for his share of the Charges with respect to which a lien against his Dwelling Unit has been extinguished pursuant to the preceding sentence where such Charges are reallocated among all the Owners pursuant to a subsequently adopted annual or revised Community Assessment or special assessment, and non-payment thereof shall result in a lien against the transferee's Dwelling Unit, as provided in this Article.

ARTICLE NINE
Annexing Additional Property

9.01 IN GENERAL: Declarant reserves the right at any time and from time to time prior to ten (10) years from the date of Recording of this Declaration to make additional portions of the Development Area part of the Premises, by Recording a supplement to this Declaration (a "Supplemental Declaration"), as hereinafter provided. Any portion of the Development Area which is made a part of the Premises by a Supplemental Declaration

shall be referred to as "Added Premises"; any portion of any Added Premises which is made part of the Community Area shall be referred to as "Added Community Area"; any portion of any Added Premises which is made part of a Neighborhood Facility shall be referred to herein as "Added Neighborhood Facility"; and any Dwelling Units contained in the Added Premises shall be referred to as "Added Dwelling Units".

9.02 POWER TO AMEND: Declarant hereby retains and reserves the right and power to Record a Supplemental Declaration at any time and from time to time as provided in Section 9.01, which amends or supplements Exhibit B, Exhibit C and/or Exhibit D. Exhibit B may only be amended or supplemented pursuant to this Article to make portions of the Development Area part of Exhibit B and shall not be amended to reduce or remove any real estate which is described in Exhibit B immediately prior to the Recording of such Supplemental Declaration. Exhibit C may only be amended or supplemented pursuant to this Article to designate Special Services which the Umbrella Association shall furnish and/or designate Dwelling Units to which the Special Services shall be furnished. Exhibit D may only be amended or supplemented pursuant to this Article to designate use and occupancy restrictions which shall apply to the Added Dwelling Units. A Supplemental Declaration may contain (or may amend Exhibit D to add) such additional provisions affecting the use of the Added Premises or the rights and obligations of owners of any part or parts of the Added Premises as the Declarant deems necessary or appropriate; provided, that, in the event of conflict between any such additional provisions and the provisions in this Declaration as originally Recorded then the provisions of this Declaration as originally Recorded shall govern.

9.03 EFFECT OF SUPPLEMENTAL DECLARATION: Upon the Recording of a Supplemental Declaration by Declarant which annexes and subjects to this Declaration Added Premises as provided in this Article, then the following shall apply:

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

(b) Every Owner of an Added Dwelling Unit shall be a member of the Umbrella Association on the same terms and subject to the same qualifications and limitations as those

members who are Owners of Dwelling Units immediately prior to the Recording of such Supplemental Declaration;

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

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

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

(f) Each Owner of an Added Dwelling Unit which is subject to assessment hereunder shall be responsible for the payment of the assessments pursuant to Sections 7.02, 7.03 and 7.04, but shall not be responsible for the payment of any special assessment which was levied prior to the time that the Added Dwelling Unit became subject to assessment hereunder.

ARTICLE TEN

Declarant's Reserved Rights and Special Provisions Covering Development Period

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

10.02 PROMOTION OF PROJECT: In connection with the promotion, sale or rental of any improvements upon the Development Area: (i) the Declarant shall have the right and power, within its sole discretion, to construct such temporary or permanent improvements, or to do such acts or other things in, on, or to the Premises as the Declarant may, from time to time,

determine to be necessary or advisable, including, without limitation, the right to construct and maintain model Dwelling Units, sales offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as the Declarant may deem advisable; (ii) Declarant, its agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Community Area or any Neighborhood Facility, at any and all reasonable times without fee or charge; and (iii) the Declarant shall have the right to sell or lease Dwelling Units to whomever and on such terms as the Declarant, in its sole discretion, shall determine.

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

10.04 GRANT OF EASEMENTS AND DEDICATIONS: Declarant shall have the right to dedicate portions of the Community Area and any Neighborhood Facility to the County, the Village or any municipality or other governmental authority which has jurisdiction over such portions. Declarant shall also have the right to reserve or grant easements over the Community Area to any governmental authority, public utility or private utility for the installation and maintenance of electrical and telephone conduit and lines, gas, sewer or water lines, or any other utility services serving any Dwelling Unit, or any other real estate (whether or not a part of the Development Area).

10.05 DECLARANT CONTROL OF UMBRELLA ASSOCIATION: Prior to the Turnover Date, (i) the first and all subsequent Umbrella Association Boards shall consist solely of three (3) persons from time to time designated by the Declarant, which persons may, but need not, be members under Section 6.02 and (ii) the rights, duties and powers of each Neighborhood Committee shall be exercised by Declarant or Declarant's beneficiary. From and after the Turnover Date, the Umbrella Association Board and each Neighborhood Committee shall be constituted and elected as

provided herein and in the By-Laws. Prior to the Turnover Date, all voting rights of the Owners of any meeting of the Umbrella Association shall be vested exclusively in the Declarant and thereafter voting rights shall be vested in the Voting Members.

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

ARTICLE ELEVEN
Remedies for Breach or Violation

11.01 SELF-HELP BY BOARD: In the event of a violation by an Owner of the provisions, covenants or restrictions of the Act, the Declaration, the By-Laws, or rules or regulations of the Umbrella Association Board, where such violation or breach may be cured or abated by affirmative action, the Umbrella Association Board, upon not less than ten (10) days prior written notice, shall have the right to enter upon that part of the Premises where the violation or breach exists and summarily abate, remove or do whatever else may be necessary to correct such violation or breach; provided, however, that where the violation or breach involves an improvement located within the boundaries of a Dwelling Unit, judicial proceedings shall be instituted before any items of construction can be altered or demolished. Any and all expenses in connection with the exercise of the right provided by this Section shall be a Charge hereunder payable by the violating Owner.

11.02 SUSPENSION OF RIGHTS: Upon the giving of written notice thereof to a Resident, the Umbrella Association Board or its authorized committee may, in addition to any remedies it may have hereunder, suspend the right of such Resident to use his Neighborhood Facility or the Community Area as follows:

(a) For so long as any assessment against such Resident's Dwelling Unit remains unpaid, plus a reasonable time thereafter as determined by the Umbrella Association Board; or

(b) For so long as such Resident shall be and shall continue to be in violation of any provision of this Declaration, the By-Laws or the rules and regulations hereunder; or

(c) For a reasonable period for any infraction of any provision of this Declaration, the By-Laws or the rules and regulations hereunder.

Any such notice shall state the reason for the suspension. Any Resident who receives such notice may, within three (3) days after receipt of such notice, demand a hearing before the Umbrella Association Board or its authorized committee. At such a hearing a member of the Umbrella Association Board shall present to the Resident the grounds for the suspension notice and the Resident shall have an opportunity to challenge such grounds and to present any evidence on his behalf subject to such reasonable rules of procedure as may be established by the Umbrella Association Board or its authorized committee. If the Resident demands a hearing as herein provided, his suspension shall not become effective until the hearing has been held and notice of the decision of the Umbrella Association Board or its authorized committee confirming the suspension and the terms thereof has been given to the Resident. The decision of the Umbrella Association Board or its authorized committee shall be final and binding. Anything herein to the contrary notwithstanding, the Umbrella Association Board shall not have the right or power to deny an Owner access to his Dwelling Unit over and across roads or walkways located on the Community Area or any Neighborhood Facility.

11.03 OTHER REMEDIES OF THE BOARD: In addition to or in conjunction with the remedies set forth above or elsewhere in this Declaration, in the event of a violation by an Owner of this Declaration, the By-Laws, or rules and regulations of the Umbrella Association Board, the Umbrella Association Board or its agents shall have the right to levy a reasonable fine and/or bring an action at law or in equity against the Owner and/or others as permitted by law including, without limitation, (i) to foreclose a lien against the Dwelling Unit, (ii) for damages, injunctive relief, or specific performance, (iii) for judgment or for the payment of money and the collection thereof (including fines), and (iv) for any other relief which the Umbrella Association Board may deem necessary or appropriate. Any and all rights and remedies provided for in this Article may be exercised at any time and from time to time cumulatively or otherwise by any provisions of this Declaration, the By-Laws or rules and regulations of the Umbrella Association Board shall in no event be deemed a waiver of the right to do so thereafter.

11.04 COSTS AND EXPENSES: All expenses incurred by the Umbrella Association Board in connection with the actions, proceedings or self-help in connection with the exercise of its rights and remedies under this Article, including, without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest contract rate of interest then permitted in Illinois (but not to exceed 18% per annum) until paid, shall be a Charge hereunder payable by the defaulting Owner, and the Association shall have a lien for all the same upon his Dwelling Unit, as provided in Section 6.01.

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

ARTICLE TWELVE
Amendment

12.01 SPECIAL AMENDMENTS: Anything herein to the contrary notwithstanding, Declarant reserves the right and power to Record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with First Mortgages covering Dwelling Units, (iii) to correct errors or omissions in this Declaration or any Exhibit thereto, or (iv) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and Record Special Amendments. The right and power to make Special Amendments hereunder shall terminate on the Turnover Date.

12.02 AMENDMENT: Subject to Section 12.01 and Article Thirteen, the provisions of this Declaration may be amended, abolished, modified, enlarged, or otherwise changed in whole or in part by the affirmative vote of Voting Members or by an instrument executed by Owners, representing at least Seventy-Five Percent (75%) of the Dwelling Units; except, that (i) the provisions of this Section 12.02 may be amended only by an instrument executed by all of the Owners and all First Mortgagees, (ii) Article Nine, Article Ten or any other provisions relating to the rights of Declarant may be amended only upon the written consent of the Declarant, (iii) Exhibit C may be amended to provide that Special Services being furnished

by the Umbrella Association shall be furnished to additional Dwelling Units by the affirmative vote of at least two-thirds of the members of the Umbrella Association Board then serving and the affirmative vote of all Voting Members representing all Dwelling Units to which such Special Services shall be furnished, (iv) Exhibit C may be amended to modify add to or delete the description of a Special Service or Exhibit B may be amended to modify, add to or delete the description of a Neighborhood Wide Service by action of the Umbrella Association Board and the affirmative vote of Voting Members representing at least 75% of the Dwelling Units which receive the Special Service or which are part of the Neighborhood to which Neighborhood Wide Services are provided, as applicable and (v) Exhibits B, C and D may be supplemented by Declarant as provided in Article Nine. No amendment which removes Premises from the provisions of this Declaration shall be effective if as a result of such removal, an Owner of a Dwelling Unit shall no longer have the legal access to a public way from his Dwelling Unit. No amendment shall become effective until properly Recorded.

ARTICLE THIRTEEN
Rights of First Mortgagees

13.01 NOTICE TO FIRST MORTGAGEES: Upon the specific, written request of a First Mortgagee to the Umbrella Association Board, such First Mortgagee shall receive some or all of the following, as designated in the request:

- (a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Umbrella Association to the Owners;
- (b) Any audited or unaudited financial statements of the Umbrella Association which are prepared for the Umbrella Association and distributed to the Owners;
- (c) Copies of notices of meetings of the Owners;
- (d) Notice of the decision of the Owners to release any part or all of the Premises from the provisions of this Declaration;
- (e) Notice of any proposed action which would require the consent of First Mortgagees pursuant to Section 13.03;
- (f) Notice of the decision of the Umbrella Association to terminate professional management and assume self-management;
- (g) Notice of any substantial damage to any part of the Community Area or a Neighborhood Facility in the Neighborhood in which the Dwelling Unit is located;

(h) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Community Area or a Neighborhood Facility in the Neighborhood in which the Dwelling Unit is located;

(i) Notice of any default under this Declaration, the By-Laws or the rules and regulations of the Umbrella Association which is not cured within 30 days of the date of the default by the Owner of the Dwelling Unit which is subject to a First Mortgage held by such First Mortgagee;

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

(k) In the case of a First Mortgagee, the right to be listed on the records of the Umbrella Association as an "Eligible Mortgagee" for purposes of Section 13.02 below.

The request of a First Mortgagee shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Umbrella Association. Failure of the Umbrella Association to provide any of the foregoing to a party who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing.

13.02 CONSENT OF FIRST MORTGAGEES:

(a) In addition to any requirements or prerequisites provided for elsewhere in this Declaration, the consent of First Mortgagees holding, in the aggregate, First Mortgages on at least fifty one percent (51%) of the Dwelling Units (by number) which are subject to First Mortgages held by First Mortgagees which specifically request to be treated as "Eligible Mortgagees" under Section 13.01(k) will be required for the Umbrella Association to do or permit to be done any of the following:

(1) Adoption of an amendment to this Declaration which (i) changes Article Seven or otherwise changes the method of determining the Community Assessments or other Charges which may be levied against a Owner, (ii) changes Section 8.03 or Article Twelve, (iii) changes this Article Thirteen or any other provision of this Declaration or the By-Laws which specifically grants rights to First Mortgagees, (iv) materially changes insurance and fidelity bond requirements, (v) changes Article Five, (vi) imposes a right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Dwelling Unit or (vii) changes voting rights;

(2) The abandonment, partition, subdivision, encumbrance, sale, or transfer of the Community Area or any Neighborhood Facility owned by the Umbrella Association (except for the granting of easements for public utilities or dedication for public purposes or for other purposes consistent with the intended use of the Community Area or Neighborhood Facility);

(3) The removal of a portion of the Community Area or any Neighborhood Facility from the provisions of this Declaration;

(4) The effectuation of a decision by the Umbrella Association to terminate professional management and assume self-management if professional management had been previously required hereunder or by a First Mortgage;

(5) The use of hazard insurance proceeds for losses to the Community Area or any Neighborhood Facility for other than the repair, replacement, or reconstruction of the Community Area;

provided, that, such consent of Eligible Mortgagees will not be required with respect to any action under (1) through (5) above which occurs as a result of (i) a taking of a portion or all of the Community Area or any Neighborhood facility by condemnation or eminent domain, or (ii) or any action taken pursuant to Article Nine.

(b) Whenever required, the consent of an Eligible Mortgagee shall be deemed granted unless the party seeking the consent is advised to the contrary, in writing, by the Eligible Mortgagee within thirty (30) days after making the request for consent, by certified or registered mail, return receipt requested.

13.03 INSURANCE PROCEEDS/CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of damage to, or destruction of, any part of the Community Area or any Neighborhood Facility or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Community Area or any Neighborhood Facility, any such distribution shall be made to the Owners who are responsible for paying assessments with respect to such property and their respective First Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the First Mortgagee of a Dwelling Unit with respect to any such distribution to or with respect to such Dwelling Unit; provided, that, nothing in this Section shall be construed to deny to the Umbrella Association the right (i) to apply insurance proceeds to repair or replace damaged improvements to the Community Area or any Neighborhood Facility as provided in Article Three or (ii) to

apply proceeds of any award or settlement as a result of eminent domain proceedings as provided in Article Three.

13.04 ADMINISTRATOR APPROVALS: Anything herein to the contrary notwithstanding, whenever this Declaration or the By-Laws provide for the approval or consent of the Administrator of Veterans Affairs ("Administrator), such approval or consent shall not be required unless the Administrator (a) has issued its project approval of the Development and such project approval has not terminated, (b) has issued a guarantee of the First Mortgage on at least one Dwelling Unit which guarantee is then outstanding, (c) is the owner or holder of a First Mortgage on a Dwelling Unit or (d) is the Owner of a Dwelling Unit. Such consent or approval shall be deemed given unless within thirty (30) days the person seeking the consent or approval is advised in writing to the contrary. The approval of the Administrator shall be required in the event the Umbrella Association conveys or encumbers any portion of the Community Area or any Neighborhood Facility. If in connection with the project approval of the Development the Declarant files a development plan with the Administrator, then the Declarant shall construct the Development in substantial conformance with the development plan and shall only alter the development plan with the Administrator's approval. However, the Administrator's approval shall not be a condition to the Recording of a Supplement to this Declaration under Article Nine hereof.

ARTICLE FOURTEEN Party Walls

14.01 PARTY WALL: Every wall, including the foundations therefor, which is built as a part of the original construction of a Building and placed on the boundary line between separate Dwelling Units shall constitute and be a "Party Wall", and the Owner of a Dwelling Unit immediately adjacent to a Party Wall shall have the obligation and be entitled to the rights and privileges of these covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls.

14.02 RIGHTS IN PARTY WALL: Each Owner of a Dwelling Unit, which is adjacent to a Party Wall, shall have the right to use the Party Wall for support of the structure originally constructed thereon and all replacements thereof and shall have the right to keep, maintain, repair and replace therein all pipes, conduit, and ducts originally located therein and all replacements thereof.

14.03 DAMAGE TO PARTY WALL:

(a) If any Party Wall is damaged or destroyed through the act or acts of any Owner of a Dwelling Unit which is adjacent to such Party Wall, or his agents, servants, tenants, guests,

invitees, licensees, or members of his family, whether such act is willful, negligent or accidental, such Owner shall forthwith proceed to rebuild or repair the same to as good a condition as in which such Party Wall existed prior to such damage or destruction without costs therefor to the Owner of the other adjoining Dwelling Unit.

(b) Any Party Wall damaged or destroyed by some act or event other than one caused by the Owner of a Dwelling Unit which is adjacent to such Party Wall, or his agents, servants, tenants, guests, invitees, licensees, or members of his family, shall be rebuilt or repaired by the Owners of the adjacent Dwelling Units to as good a condition as in which such Party Wall existed prior to such damage or destruction at joint and equal expense of such Owners, and as promptly as is reasonably possible.

(c) In the event that any Owner shall fail, within a reasonable time after the occurrence of damage or destruction referred to in this Section, to perform the necessary repair or rebuilding, then, the Umbrella Association Board may cause such repairs or rebuilding to be performed in the manner as provided in this Section and the cost thereof shall be charged to such Owner as his personal obligation and shall be a continuing lien on the Owner's Dwelling Unit.

14.04 CHANGE IN PARTY WALL: Any Owner of a Dwelling Unit who proposes to modify, rebuild, repair or make additions to any structure upon his Dwelling Unit in any manner which requires the extension, alteration or modification of any Party Wall shall first obtain the written consent thereto, as to said Party Wall, of the Owner(s) of the other adjacent Dwelling Unit(s) and the Umbrella Association Board, in addition to meeting any other requirements which may apply. In the event that a Party Wall is altered, regardless of whether all required consents have been obtained, any express or implied warranties made by the Declarant concerning the structural integrity of the Party Wall or any of the Dwelling Units adjacent to the Party Wall shall be null and void and the Owner who alters the Party Wall shall be responsible for any and all damage caused to any of the adjacent Dwelling Units or improvements thereto.

14.05 ARBITRATION: In the event of a disagreement between Owners of Dwelling Units adjoining a Party Wall with respect to their respective rights or obligations as to such Party Wall, upon the written request of either of said Owners to the other the matter shall be submitted to the Umbrella Association Board and the decision of the Board shall be final and binding.

ARTICLE FIFTEEN
Miscellaneous

15.01 NOTICES: Any notice required to be sent to any Owner under the provisions of this Declaration or the By-Laws shall be deemed to have been properly sent when (i) mailed, postage prepaid, to his or its last known address as it appears on the records of the Umbrella Association at the time of such mailing or (ii) when delivered personally to his Dwelling Unit.

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

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

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

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

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

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

DATED: Aug 2, 1950

DECLARANT:

NORTHERN TRUST BANK/LAKE FOREST,
as Trustee aforesaid

By: [Signature]
Its: SECOND VICE PRESIDENT

Attest:

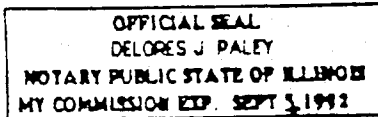
By: [Signature]
Its: TRUST OFFICER

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

I, DELORES J. PALEY, a Notary Public in and for said County and State, do hereby certify that GERALD L. HOFFMAN and RONALD L. KILGUS, VICE PRESIDENT and TRUST OFFICER, respectively, of Northern Trust Bank/Lake Forest, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 2nd day of Aug, 1977.

Delores J. Paley
Notary Public



THIS INSTRUMENT PREPARED BY:

Brian Meltzer
KECK, MAHIN & CATE
1515 East Woodfield Road
Suite 250
Schaumburg, Illinois 60173
(708) 330-1200

1515 E. WOODFIELD ROAD
SUITE 250
SCHAUMBURG, ILLINOIS 60173-5431
(708) 330-1200
FAX (708) 330-1220

KECK, MAHIN & CATE

FILE NUMBER

DIRECT DIAL 708/330-2402

October 11, 1994

Mr. Steve Goodman
Cambridge Homes, Inc.
800 South Milwaukee Avenue
Libertyville, Illinois 60048

Re: Fairway Ridge/Supplement No. 5

Dear Steve:

Enclosed is the original Supplement No. 5 to the Umbrella Declaration for Fairway Ridge which was recorded in Lake County, Illinois on September 23, 1994 as Document No. 3595504.

Sincerely,

KECK, MAHIN & CATE



Brian Meltzer

BM:gcr
101194.004
Enclosure

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

CHICAGO, ILLINOIS WASHINGTON, D. C. HOUSTON, TEXAS LOS ANGELES, CALIFORNIA
SAN FRANCISCO, CALIFORNIA PEORIA, ILLINOIS OAKBROOK TERRACE, ILLINOIS
KECK, MAHIN, CATE & KOETHE, NEW YORK, NEW YORK FARMINGDALE, NEW YORK

8291

SUPPLEMENT NO. 5 TO
THE UMBRELLA DECLARATION FOR
FAIRWAY RIDGE

This Supplement is made and entered into by Northern Trust Bank/Lake Forest, not individually, but as Trustee under Trust Agreement dated December 18, 1981 and known as Trust No. 6907 ("Declarant").

R E C I T A L S

Declarant Recorded the Umbrella Declaration for Fairway Ridge (the "Umbrella Declaration") on August 2, 1990 in the Office of the Recorder of Deeds for Lake County, Illinois as Document No. 2930890.

In Article Nine of the Umbrella Declaration, Declarant reserved the right and power to add and submit certain real estate to the Declaration by making any or all of the Development Area subject to the Declaration as part of the Premises.

The Umbrella Declaration was supplemented and amended by the following documents:

<u>Title of Document</u>	<u>Date Recorded</u>	<u>Document No.</u>
Supplement No. 1 to Umbrella Declaration	11/02/90	2959947
Supplement No. 2 to Umbrella Declaration	09/09/91	3056140
Supplement No. 3 to Umbrella Declaration	05/18/92	3158989
Supplement No. 4 to Umbrella Declaration	08/31/92	3205954

Declarant desires to once again exercise this right and power reserved in Article Nine of the Umbrella Declaration to add and submit certain real estate to the provisions of the Umbrella Declaration.

In addition, the Declarant has determined that there shall only be one (1) Neighborhood. Accordingly, the Declarant desires to simplify the Declaration to reflect this decision.

NOW, THEREFORE, Declarant does hereby supplement and amend the Umbrella Declaration as follows:

1. Terms. All terms used herein, if not otherwise defined herein, shall have the meanings set forth in the Umbrella Declaration.

2. Added Premises. That portion of the Development Area which is legally described in Section I(F) of the Fifth Amended and Restated Exhibit B attached hereto (the "Restated Exhibit B") is hereby made part of the Premises as "Added Premises".

3. Amendment of Exhibit B. To reflect the addition of the Added Premises to the Declaration, Exhibit B to the Umbrella Declaration is hereby amended and restated to be as set forth in the Restated Exhibit B. The Added Dwelling Units are listed in Section II (F) of Restated Exhibit B. No Added Community Area is made subject to the Umbrella Declaration by this Supplement.

4. Fence Maintenance. Declarant constructed a six foot high, board on board fence on the property line of those portions of the Added Premises legally described as Lots 130, 131, 132 and 135 in Fairway Ridge Unit 4 Subdivision. The Owner of each of Lots 130, 131, 132 and 135 shall be responsible for maintaining, repairing and replacing the portion of the fence located on the Owner's Lot and shall be subject to the rights and powers of the Umbrella Association as set forth in Section 5.03(a) of the Umbrella Declaration.

5. Special Use and Occupancy Restrictions. Exhibit D to the Declaration is hereby supplemented to add certain Special Use and Occupancy restrictions on certain Added Dwelling Units, as follows:

"III. Conservancy Easement. Portions of Lots 135, 136 and 137 in Fairway Ridge Unit 4 Subdivision are designated on the Plat of Subdivision for Fairway Ridge Unit 4 Subdivision as being subject to a "Conservation Easement". Those portions of Lots 135, 136 and 137 (each a "Lot") which are designated as being subject to a "Conservation Easement" shall be referred to herein as the "Conservancy Area" and shall be subject to the following covenants and restrictions:

(a) No Owner shall construct or place any improvements in or on the Conservancy Area on his Lot.

(b) No Owner shall excavate, fill, dredge, mine, dike or change the topography of the Conservancy Area on his Lot in any manner.

(c) No Owner shall destroy any trees on the Conservancy Area on his Lot, except, that the Owner of a Lot may, at the Owner's option, remove dead or diseased trees from the Lot from time to time.

(d) No Owner shall subdivide the Conservancy Area on his Lot in any manner, whether legal or de facto.

(e) No Owner shall dump, place or store, or allow to be dumped, placed or stored in or on the Conservancy Area on his Lot, ashes, trash, waste, garbage, vehicle bodies or parts or other unsightly or offensive material.

Any of the foregoing restrictions may be waived by the Village."

6. Modification of Neighborhood Provisions. All Dwelling Units which are currently subject to the Declaration are part of Neighborhood No. 1. The Declarant hereby commits that any Dwelling Units which are added to the terms of the Declaration as Added Premises hereunder shall be made part of Neighborhood No. 1 and that no additional Neighborhoods shall be created. In order to simplify the administration of the Association, Section 6.05 of the Declaration and Section 6.01 of the By-Laws are hereby modified to provide that (i) there shall be only one (1) Neighborhood Committee (for Neighborhood No. 1), (ii) after the Turnover Date the Neighborhood Committee for Neighborhood No. 1 shall consist of five (5) individuals, (iii) at all times the Neighborhood Committee for Neighborhood No. 1 shall consist of the same persons who are members of the Board, and (iv) a meeting of the Neighborhood Committee for Neighborhood No. 1 shall occur simultaneously with each meeting of the Board.

7. Amendment of By-Laws. As holder of all the votes in the Umbrella Association, the Declarant hereby amends the By-Laws (which have not been recorded) as follows:

(a) Section 5.01 of the By-Laws is amended to provide that after the Turnover Date the Board of Directors shall consist of five (5) individuals instead of seven (7) individuals.

(b) Section 5.03 of the By-Laws is hereby amended to be and read as follows:

"5.03 Boards After Turnover Date: At the Initial Meeting (defined in Section 4.03 of the By-Laws a full Board shall be elected as provided in this Section. Each Voting Member shall cast five (5) votes for each Dwelling Unit which he or she represents, and cumulative voting shall be permitted. The two (2) candidates receiving the highest number of votes shall each serve a two (2) year term and the three (3) candidates receiving the next highest number of votes shall each serve a one (1) year term. At each subsequent annual meeting of the members of the Association, successors to Directors whose terms expire shall be elected. A Director may succeed himself or herself. After the Turnover Date, each Director shall be an Owner or Voting Member."

8. Covenants to Run With Land. The covenants, conditions, restrictions and easements contained in the Umbrella Declaration, as amended by this Supplement, shall run with and bind the Premises, including the Added Premises.

9. Continuation. As expressly hereby amended, the Umbrella Declaration shall continue in full force and effect in accordance with its terms.

10. Declarant Exculpation. Anything herein to the contrary notwithstanding, each and all of the representations, covenants, undertakings, warranties and agreements herein made on the part of the Declarant while in form purporting to be the representations, covenants, undertakings, warranties, and agreements of said Declarant are nevertheless, each and every one of them, made and intended not as personal representations, covenants, undertakings, warranties and agreements by the Declarant or for the purpose or with the intention of binding said Declarant but are made and intended solely in the exercise of the powers conferred upon it as a Trustee under the Trust Agreement described above; and no personal liability or personal responsibility is assumed by or shall be enforceable against Declarant on account of this Supplement or any representation, covenant, undertaking, warranty, or agreement of the Declarant in this Supplement contained, either expressed or implied. The Declarant makes no personal representations as, nor shall it be responsible for the existence, location, or maintenance of the chattels herein described, if any.

Dated: September 20, 1994.

NORTHERN TRUST BANK/LAKE FOREST, as
Declarant as aforesaid and not personally

By: [Signature]
Second Assistant Vice President

By: Karen E. Schwoeder
~~Assistant Secretary~~
TRUST OFFICER

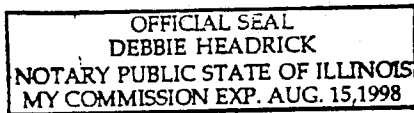
0016.066

3595504
RECORDER
LAKE COUNTY, ILLINOIS
91 SEP 23 PM 2:47
Frank J. Neutra

STATE OF ILLINOIS)
 Lake) SS
COUNTY OF ~~COOK~~)

I, Debbie Headrick, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY, that PEGGY PETERS, ^{Second} Assistant Vice President of the Northern Trust Bank/Lake Forest, and Karen E. Schroeder, ^{Second} ~~Assistant Secretary~~ of said Company, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such ~~Assistant Vice President and Assistant Secretary~~ respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 20th day of September, A.D., 1994.



Debbie Headrick
Notary Public

THIS INSTRUMENT PREPARED BY AND SHOULD BE RETURNED TO:

Brian Meltzer
KECK, MAHIN & CATE
1515 East Woodfield Road
Suite 250
Schaumburg, Illinois 60173
708-330-1200

FIFTH AMENDED AND RESTATED EXHIBIT B
TO THE UMBRELLA DECLARATION FOR
FAIRWAY RIDGE

The Premises

I. The Premises

- A. Lots 501 through 589, both inclusive, and Outlots B and C in Fairway Ridge being a Subdivision of part of Section 25, Township 45 North, Range 11 East of the Third Principal Meridian, in Lake County, Illinois ("Fairway Ridge Unit One Subdivision").
- B. Lots 590 through 726, both inclusive, in Fairway Ridge Unit One Subdivision.
- C. Lots 628 through 632, both inclusive, in Fairway Ridge Resubdivision, being a Resubdivision of Lots 628 through 632 in Fairway Ridge Unit One Subdivision.
- D. Lots 1 through 22, both inclusive, and Lots 24 through 41, both inclusive, in Fairway Ridge Unit Two, being a Subdivision of part of Section 28, Township 45 North Range 11 East of the Third Principal Meridian, in Lake County, Illinois ("Fairway Ridge Unit Two Subdivision").
- E. Lots 42 through 115, both inclusive, in Fairway Ridge Unit Three, being a Subdivision of part of Section 28, Township 45 North Range 11 East of the Third Principal Meridian, in Lake County, Illinois ("Fairway Ridge Unit Three Subdivision").
- F. Lots 116 through 161, both inclusive, in Fairway Ridge Unit 4, being a Subdivision of part of the southwest quarter of Section 28 and part of the northwest quarter of Section 33, both in Township 45 North, Range 11, East of the Third Principal Meridian in Lake County, Illinois ("Fairway Ridge Unit 4 Subdivision"); Outlots A, D and E in Fairway Ridge Unit One Subdivision; and Outlots A and B in Fairway Ridge Unit Two Subdivision.

II. Dwelling Units

- A. Lots 501 through 589, both inclusive, in Fairway Ridge Unit One Subdivision.
- B. Lots 590 through 726, both inclusive, in Fairway Ridge Unit One Subdivision.
- C. Lots 628 through 632, both inclusive, in Fairway Ridge Resubdivision.

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- D. Lots 1 through 21, both inclusive, and Lots 24 through 41, both inclusive, in Fairway Ridge Unit Two Subdivision.
- E. Lots 42 through 115, both inclusive, in Fairway Ridge Unit Three Subdivision.
- F. Lots 116 through 161, both inclusive, in Fairway Ridge Unit 4 Subdivision.

III. Community Area

- A. Outlots A, B, D and E in Fairway Ridge Unit One Subdivision.
- B. Lot 22 and Outlots A and B in Fairway Ridge Unit Two Subdivision.

IV. Limited Community Area

None.

V. Neighborhoods, Neighborhood Facilities and Neighborhood Wide Services

A. Neighborhood No. 1

- 1. Lots 501 through 726, both inclusive, and Outlot C in Fairway Ridge Unit One Subdivision.
- 2. Lots 628 through 632 in Fairway Ridge Resubdivision.
- 3. Lots 1 through 21, both inclusive, and Lots 24 through 41, both inclusive, in Fairway Ridge Unit Two Subdivision.
- 4. Lots 42 through 115, both inclusive, in Fairway Ridge Unit Three Subdivision.
- 5. Lots 116 through 161, both inclusive, in Fairway Ridge Unit 4 Subdivision.

B. Neighborhood Facility for Neighborhood No. 1

Outlot C in Fairway Ridge Unit One Subdivision

C. Neighborhood Wide Services for Neighborhood No. 1

None

VI. Privacy Areas

None

PIN For Added Premises: The Added Premises are part of the property identified by PIN Nos.

07-28-300-032, 07-28-300-033,
07-28-400-033

Address of Property: County Highway 34 and Leonard Drive
Gurnee, Illinois

0016.066

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December 13, 1995

Dear Homeowner:

Please find enclosed a copy of a Resolution enacted by the Board of Directors of the Fairway Ridge Umbrella Association on December 11, 1995.

The Board has agreed to adopt the Forcible Entry and Detainer Act in an effort to collect assessments in the most efficient manner possible. The Association's attorney advised the Board that the Forcible procedure is a standard collection tool utilized by most associations as leverage to minimize a high delinquency rate. The procedure essentially allows the Association to obtain a possession order, when it sues an individual unit owner for delinquent assessments. This possession order could lead to the eventual eviction of a unit owner from his or her unit. What this means is that the association can then rent the unit for up to 13 months to recoup unpaid assessments. During this process the homeowner retains title to their home, although not in residence, until such time that the assessments are again current.

The Board of Directors will address any and all comments at the next Board meeting scheduled January 8th at 7:00 P.M.

Very truly yours,

BOARD OF DIRECTORS
FAIRWAY RIDGE UMBRELLA ASSOCIATION

FAIRWAY RIDGE UMBRELLA ASSOCIATION

**RESOLUTION TO ACCEPT THE BENEFITS AND BE BOUND
BY THE OBLIGATIONS OF ARTICLE IX OF THE
ILLINOIS CODE OF CIVIL PROCEDURE**

WHEREAS, this organization is a not-for-profit corporation organized and existing under the laws of the State of Illinois; and

WHEREAS, the affairs of this corporation are managed by its Board of Directors; and

WHEREAS, this corporation and its Board of Directors are responsible for managing certain real estate in the County of Lake, State of Illinois, which real property is subject to the provisions of the Umbrella Declaration for Fairway Ridge Homeowner's Association, which was recorded in the Office of the Recorder of Deeds of Lake County, Illinois on August 2, 1990, as Document No. R29-30890 (hereinafter "Declaration") as amended; and

WHEREAS, the Declaration establishes a common interest community which requires the owner to pay regular or special assessments for the maintenance or repair of common areas owned in common by all of the Owners of the common interest community or by the community Association itself; and

WHEREAS, this Association, from time to time, is obligated under the Declaration to take legal action against its Unit Owner members to collect the amounts of unpaid regular or special assessments or other charges lawfully assessed by the Association; and

WHEREAS, Article IX of the Illinois Code of Civil Procedure provides a legal mechanism for this Association to collect such assessments or charges by means of the procedure known as an Action in Forcible Entry and Detainer; and

WHEREAS, the Board of Directors of this Association has determined to obtain the benefits and be bound by the obligations contained in Article IX of the Illinois Code of Civil Procedure;

NOW, THEREFORE, in furtherance of the above stated determinations, objectives and goals, this Association, through its Board of Directors, resolves as follows:

1. This Association shall be bound by the requirements of Section 9-102 of the Illinois Code of Civil Procedure. Specifically, it is the policy of this Board and this Association that all Unit Owners shall be and are authorized to attend meetings of this Board in the same manner as provided for condominiums under the Illinois Condominium Property Act. In furtherance of this policy, the following procedures shall be applicable:

(A) Meetings of the Board of this Association shall be open to any Unit Owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of this Association has been filed and is pending in a court or administrative tribunal, or when the Board of this Association finds that such an action is probable and imminent, (ii) to discuss violations of rules/regulations of the Association or a Unit Owner's unpaid share of assessments or other lawful charges of this Association.

(B) Any vote on matters discussed in closed sessions of the Board shall be taken at a meeting or portion thereof which is open to Unit Owners.

(C) Any Unit Owner may record the proceedings of any portion of a Board meeting which is open for Unit Owner attendance by use of tape, film, or other means; provided, however, that the Board may prescribe reasonable rules and regulations to govern the right to make such recordings.

(D) Notice of all Board meetings shall be mailed or delivered to Board members at least 48 hours prior thereto, unless a written waiver of such notice is signed by the Board member entitled to such notice before the meeting is convened.

(E) Copies of notices of Board meetings shall be posted in entranceways, elevators, or other conspicuous places in the Association at least 48 hours prior to any Board meeting; provided, however, that where there is no common entranceway for seven or more units, the Board designates one or more locations in the proximity of the units where notices of the meetings shall be posted.

(F) Each Unit Owner shall receive notice of any Board meeting concerning the adoption of the Association's annual budget or any increase or establishment of an assessment. Such notice shall be mailed or delivered to members of this Association no less than ten (10) and no more than thirty (30) days in advance of such meeting stating the time, place and purpose of the Board meeting.

(G) Any subsequent amendments to the Illinois Condominium Property Act which affect the rights of Unit Owners to attend meetings shall also be applicable to this Association in the same manner as they are applicable to condominium associations in this State.

2. Notice of this Resolution shall be delivered or mailed to each Unit Owner.

3. The Board is hereby entitled to use, and shall direct its attorneys to use, actions in forcible entry and detainer in order to collect the assessments and lawful charges of this Association, which actions shall entitle the Board to evict any Unit Owner and to take possession of his or her Unit upon a finding by a court of competent jurisdiction that they have failed to pay the assessments or other lawful charges of this Association.

4. The Secretary of this Association is authorized to prepare any certified copies of this Resolution which may be brought under the authority of this Resolution.

Adopted by the Board of Directors of the Fairway Ridge Umbrella Association at a meeting held on _____, 1995, at _____, Illinois.

Respectfully Submitted,

Secretary
FAIRWAY RIDGE UMBRELLA
ASSOCIATION

CERTIFICATE

I, the undersigned, hereby certify that I am the duly elected, qualified and acting Secretary of Fairway Ridge Umbrella Association ("Association"), an Illinois not-for-profit corporation; and that the attached is a true, correct and accurate copy of the Resolution of the Board of Directors adopting and applying Article IX of the Illinois Code of Civil Procedure regarding the use of the Forcible Entry and Detainer cause of action, effective as of the date of this Certificate.

I further certify that the attached Resolution was mailed in the ordinary course of business to all of the owners of the Association on the _____ day of _____, 1995, with proper postage prepaid and that the original of this Certificate, with a copy of the mailed Resolution are made a part of the minutes, and kept in the records of the Association.

IN WITNESS WHEREOF, I have hereunto set my hand and affix the corporate seal this _____ day of _____, 199__.

FAIRWAY RIDGE UMBRELLA
ASSOCIATION

Secretary

(Corporate Seal)



C A M B R I D G E P R O P E R T I E S

March 4, 1996

Linda Kurtz
Vanguard Management
1251 N. Plum Grove Road
Suite 140
Schaumburg, IL 60173

RE: FAIRWAY RIDGE UMBRELLA ASSOCIATION

Dear Linda:

Attached is the recorded Deed for Outlots A, D and E in Fairway Ridge Unit 1, and Outlots A, B and Lot 22 in Fairway Ridge Unit 2. This Deed conveys this property to the Fairway Ridge Umbrella Association. With this Deed, and other prior conveyances, the Fairway Ridge Umbrella Association now owns title to all open space in the community for which it is responsible to maintain. For your records, I have attached copies of other Deeds that have conveyed property to this Association. Please note that Outlots C, D and E in Fairway Ridge Unit 3 have been conveyed to Heather Ridge, and will be maintained by Heather Ridge as specified on Exhibit A to said deed (see attached).

I trust that the turn-over has been proceeding smoothly, and that the new Officers and Directors are becoming familiar with their role. I don't know if there was anything done formally at the turn-over meeting, but please treat this letter as the resignation of myself, Jerry Conrad and Phil Walters effective as of the turn-over date.

Please call me if you have any questions or comments.

Very truly yours,

Steven H. Goodman
General Counsel

cc: Jerry Conrad (w/o encl.)

Built to stand the test of time. Experience the Cambridge difference.

A8459

3789333

THIS INDENTURE, made this 14th day of February, 1996, between Northern Trust Bank/Lake Forest National Association, being qualified to accept and execute Trusts under the laws of the State of Illinois, as Trustee under the provisions of a Deed or Deeds in Trust, duly recorded and delivered to said Corporation, in pursuance of a Trust Agreement, dated the 18th day of December, 1981, and known as Trust Number 6907, Party of the First Part, and

COPY

FEB 26 1996

The above space for recorder's use only.

Fairway Ridge Umbrella Association whose address is 5800 Manchester Drive, Gurnee, IL Party of the Second Part WITNESSETH, that said party of the First Part, in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable considerations in hand paid, does hereby grant, sell and convey unto said Party of the Second Part, the following described real estate, situated in LAKE County, Illinois, to-wit:

Outlots A, D & E in Fairway Ridge, Pursuant to the plat recorded on March 6, 1990 as Document No. 2883353; and Outlots A, B & 22 in Fairway Ridge Unit 2, pursuant to the plat recorded on May 18, 1992 as Document No. 3158988.

Lot

This space for affixing riders, revenue stamps and exempt stamp. Exempt under provisions of Paragraph 2, Section 4, Real Estate Transfer Tax Act.

2/20/96 Date: [Signature] Buyer, Seller or Representative

together with the tenements and appurtenances thereunto belonging. TO HAVE AND TO HOLD the same unto said party of the second part, and to the proper use, benefit and behoof forever of said party of the second part. SUBJECT TO:

General real estate taxes for the year 1995 and subsequent years; special taxes and assessments not then due and payable; the Plat of Subdivision which includes the property; easements, covenants and restrictions and building lines of record; applicable zoning and building laws or ordinances; acts done or suffered by Grantee.

Document Number

[Empty box for Document Number]

THIS INDENTURE, made this 17th day of September, 1990, between Northern Trust Bank/Lake Forest National Association, being qualified to accept and execute Trusts under the laws of the State of Illinois, as Trustee under the provisions of a Deed or Deeds in Trust, duly recorded and delivered to said Corporation, in pursuance of a Trust Agreement, dated the 18th day of December, 1981, and known as Trust Number 6907, Party of the First Part,

and Fairway Ridge Umbrella Association, an Illinois not-for-profit Corporation

Suite 250

whose address is 800 S. Milwaukee Ave., /Libertyville, IL Party of the Second Part. WITNESSETH, that said party of the First-Part, in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable considerations in hand paid, does hereby grant sell and convey unto said Party of the Second-Part, the following described real estate, situated in Lake County, Illinois, to-wit:

Outlots B and C, in Fairway Ridge, being a subdivision of part of Section 25, Township 45 North, Range 11 East of the Third Principal Meridian, in Lake County, IL.

together with the tenements and appurtenances thereto belonging

TO HAVE AND TO HOLD the same unto said party of the second part, and to the proper use, benefit and behoof forever of said party of the second part SUBJECT TO

General real estate taxes for the year 1990 and subsequent years; special taxes and assessments not then due and payable; the Plat of Subdivision which includes the Property; easements, covenants and restrictions and building lines of record; applicable zoning and building laws or ordinances; act; done or suffered by Purchaser.

This deed is executed pursuant to and in the exercise of the power and authority granted to and vested in it by the terms of said Deed or Deeds in trust delivered to said trustee in pursuance of the trust agreement above mentioned. This deed is made subject to the liens of every trust deed or mortgage (if there be any) of record in said county given to secure the payment of money, and remaining unreleased at the date of the delivery hereof.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereon affixed and has caused its name to be signed to these presents by its Second Vice-President and attested by its Trust Officer the day and year first above written.



Northern Trust Bank/Lake Forest, National Association

Trustee as aforesaid, (not personally or individually).

By [Signature] Second Vice-President
Attest [Signature] TRUST OFFICER
PEGGY PETERS

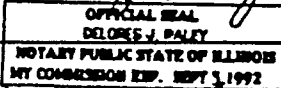
NOTICE

This deed must be delivered to the RECORDER OF DEEDS of the county in which the property is located and recorded by him in order to show that ownership has been conveyed by the Bank to you. Request COUNTY TREASURER to change name and address for future tax bills.

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY, that the above named Vice-President and Trust Officer of the Northern Trust Bank/Lake Forest National Association personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President and Trust Officer, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth, and the said Trust Officer did also then and there acknowledge that he, as Custodian of the Corporate Seal of said Bank, did affix the said Corporate Seal of said Bank to said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

Given under my hand and Notarial seal, Date September 24, 1990

[Signature] Notary Public



CAMBRIDGE HOMES, inc.

800 S. MILWAUKEE AVENUE - SUITE 250 Mailing Address
LIBERTYVILLE, ILLINOIS 60048

DELIVERY

NAME James W. Schultz
STREET 800 S. Milwaukee Ave.
CITY Libertyville, IL 60048

FOR INFORMATION ONLY
INSERT STREET ADDRESS OF ABOVE
DESCRIBED PROPERTY HERE

1990 SEP 27 AM 9:46
LAKE COUNTY, ILLINOIS
RECORDER

2948145

This space for affixing riders, revenue stamps and exempt stamp.
THIS TRANSACTION EXEMPT UNDER THE PROVISIONS OF CH. 110, PARAGRAPHS 100-4(C) JAMES W. SCHULTZ 09/24/90

Document Number:

INSTRUCTIONS

RECORDER'S OFFICE BOX NUMBER

This deed is executed pursuant to and in the exercise of the power and authority granted to and vested in it by of said Deed or Deeds in trust delivered to said trustee in pursuance of the trust agreement above mentioned. This deed is made subject to the liens of all trust deeds or mortgages (if there be any) of record in said county given to secure the payment of money, and remaining unreleased at the date of the delivery hereof.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed and has caused its name to be signed to these presents by its Second Vice-President and attested by its Trust Officer the day and year first above written.



Northern Trust Bank/Lake Forest
National Association
as Trustee as aforesaid, (not personally or individually),

By *Peggy Peters* Second Vice-President
Peggy Peters

Attest *Karen E. Schroeder* Trust Officer
Karen E. Schroeder

State of Illinois, S.S.
COUNTY OF LAKE

NOTICE
This deed must be delivered to the RECORD-ER OF DEEDS of the county in which the property is located, and recorded by him in order to show that ownership has been conveyed by the Bank to you. Request COUNTY TREASURER to change name and address for future tax bills.

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY, that the above named Second Vice-President and Trust Officer of the Northern Trust Bank/Lake Forest National Association personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Second Vice-President and Trust Officer, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth, and the said Trust Officer did also then and there acknowledge that he she, as Custodian of the Corporate Seal of said Bank, did affix the said Corporate Seal of said Bank to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal . Date February 15, 1996
DEBBIE HEADRICK
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES AUG. 15, 1998
Debbie Headrick Notary Public

PREPARED BY
NORTHERN TRUST BANK/
LAKE FOREST
P.O. BOX 391
LAKE FOREST, IL 60045

Tax Mailing Address _____

DELIVERY NAME STEVEN H. GOODMAN
STREET Cambridge Homes, Inc
CITY 500 S. Milwaukee
Libertyville, IL 60045

FOR INFORMATION ONLY
INSERT STREET ADDRESS OF ABOVE
DESCRIBED PROPERTY HERE

INSTRUCTIONS OR RECORDER'S OFFICE BOX NUMBER

ADVENTURE, made this 16th day of September, 19 92, between Northern Trust Bank/Lake Forest National Association, being qualified to accept and execute Trusts under the laws of the State of Illinois, as trustee under the provisions of a Deed or Deeds in Trust, duly recorded and delivered to said Corporation, in pursuance of a trust Agreement, dated the 18th day of December, 19 81 and known as Trust Number 6907, Party of the First Part,

COPY

FILED OCT 05 1992

and HeatherRidge Umbrella Association, an Illinois not-for-profit corporation whose address is 5800 Manchester Drive, Gurnee, Illinois 60031 Party of the Second Part. WITNESSETH, that said party of the First-Part, in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable considerations in hand paid, does hereby grant, sell and convey unto said Party of the Second-Part, the following described real estate situated in Lake County, Illinois, to-wit:

A-7005

the "Property")

Outlot C, Outlot D and Outlot E, all in Fairway Ridge Unit Three, being a Subdivision of part of the Southwest Quarter of Section 28 Township 45 North, Range 11, East of the Third Principal Meridian, in Lake County, Illinois, according to the Plat thereof recorded August 31, 1992 as Document 3205954 in Lake County, Illinois.

together with the tenements and appurtenances thereunto belonging. TO HAVE AND TO HOLD the same unto said party of the second part, and to the proper use, benefit and behoof forever of said party of the second part SUBJECT TO:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

This deed is executed pursuant to and in the exercise of the power and authority granted to and vested in it by the terms of said Deed or Deeds in trust delivered to said trustee in pursuance of the trust agreement above mentioned. This deed is made subject to the liens of every trust deed or mortgage (if there be any) of record in said county given to secure the payment of money, and remaining unreleased at the date of the delivery hereof.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed and has caused its name to be signed to these presents by its Assistant Vice-President and attested by its Trust Officer the day and year first above written.



Northern Trust Bank/Lake Forest, National Association as Trustee as aforesaid, (not personally or individually).

By Peggy Peters Second Vice-President
Attest Lawrence R. Whitaker Trust Officer

NOTICE
This deed must be delivered to the RECORDER OF DEEDS of the county in which the property is located, and recorded by him in order to show that ownership has been conveyed by the Bank to you. Request COUNTY TREASURER to change name and address for future tax bills.

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY, that the above named Asst. Vice-President and Trust Officer of the Northern Trust Bank/Lake Forest National Association personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President and Trust Officer, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth, and the said Trust Officer did also then and there acknowledge that he, as Custodian of the Corporate Seal of said Bank, did affix the said Corporate Seal of said Bank to said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

PREPARED BY
NORTHERN TRUST BANK/
LAKE FOREST
P.O. BOX 391
LAKE FOREST, IL 60045

Given under my hand and Notarial seal. Date September 16, 1992

OFFICIAL SEAL
SHILA K. FINKELBERG
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. SEPT 16, 1996
Shila K. Finkelberg Notary Public

Tax Mailing Address HeatherRidge Umbrella Association
5800 Manchester Drive
Gurnee, IL 60031

DELIVERY
NAME Steven H. Goodman
STREET Cambridge Homes, Inc.
CITY 800 S. Milwaukee
Libertyville, IL 60048

FOR INFORMATION ONLY
INSERT STREET ADDRESS OF ABOVE
DESCRIBED PROPERTY HERE

INSTRUCTIONS OR RECORDER'S OFFICE BOX NUMBER

This space for affixing riders, revenue stamps and exempt stamp.

Document Number

This transfer is exempt from transfer tax pursuant to Illinois Revised Statutes Chapter 120, Section 1004(e).
Shandra Yacht

EXHIBIT A

Subject to general real estate taxes for the year 1991 and subsequent years, special taxes and assessments not yet due and payable, the Plat of Subdivision which includes the Property; public and private easements, covenants and restrictions of record; applicable zoning laws and ordinances and acts done or suffered by Party of the Second Part.

The Party of the First Part does hereby further declare that the conveyance of the Property is subject to the following covenants, conditions, restrictions and reservations, which shall exist at all times hereafter between all parties having or acquiring any right, title or interest in all or any portion of the Property and shall run with the land, to be held, sold and conveyed subject thereto:

- (i) No buildings, fences or other structures shall be erected on the Property;
- (ii) party of the Second Part shall at all times keep the Property free and clear of all rubbish, debris and other unsightly materials;
- (iii) party of the Second Part shall maintain and preserve all landscaping and berming on the Property, shall plant and re-plant trees, shrubs, flowers and grass on the Property in conformity with the surrounding landscape as may be needed from time to time and shall not commit waste with respect thereto; and
- (iv) an easement is hereby reserved over, upon and through the Property for purposes of (a) performing excavation work, as more particularly set forth in that certain Conveyance and Maintenance Agreement ("Agreement") dated September 15, 1992 between Cambridge Homes, Inc. and Party of the Second Part and (b) enforcing the covenants, conditions and restrictions set forth above, also as more particularly set forth in the Agreement.

The covenants, conditions, restrictions and reservations set forth above run to the benefit of Cambridge Homes, Inc., their agents, successors and assigns and the Fairway Ridge Umbrella Association, the governing body for all present owners, and their successors in title, of all lots depicted on the above-referenced Plat.