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BY AND SHOULD BE RETURNED  
TO:

Brian Meltzer  
MELTZER, PURTILL & STELLE LLC  
1515 East Woodfield Road  
Second Floor  
Schaumburg, Illinois 60173-5431

PIN: See Exhibit B



Doc#: 1217444006 Fee: \$156.00  
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Cook County Recorder of Deeds  
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ABOVE SPACE FC

## DECLARATION FOR REGENCY AT THE GLEN TOWNHOMES

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## DECLARATION FOR REGENCY AT THE GLEN TOWNHOMES

This Declaration is made by Pulte Home Corporation, a Michigan corporation ("Declarant").

### RECITALS

The Development Area is legally described in Exhibit A hereto. Some or all of the Development Area shall be the subject of a phased development called Regency at the Glenn Townhomes (the "Development"). The Development shall include dwelling units and other areas which will be maintained by the Association.

Initially, the Declarant shall subject the real estate which is legally described in Exhibit B hereto to the provisions of this Declaration as the Premises. From time to time the Declarant may subject additional portions of the Development Area to the provisions of this Declaration as Added Premises, as more fully described in Article Twelve.

All portions of the Premises not improved with a Home (including outlots owned by the Association and those portions of each Parcel which are not improved with a Home), shall be designated as a Common Area hereunder. In order to provide for the orderly and proper administration and maintenance of the Premises, the Declarant has formed (or will form) the Association under the Illinois General Not For Profit Corporation Act of 1986. The Association shall be administered in accordance with the requirements of the Illinois Common Interest Community Association Act (765 ILCS 160/1-1, *et seq.*), as amended.

The Association shall have the responsibility for administering and maintaining the Common Area and certain portions of the Parcels and Home Exteriors and shall set budgets and fix assessments to pay the expenses incurred in connection with such duties. Each Owner of a Parcel shall be a member of the Association and shall be responsible for paying assessments with respect to the Parcel owned by such Owner.

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

NOW, THEREFORE, the Declarant hereby declares as follows:

### ARTICLE ONE

#### Definitions

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

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1.01 ACT: The Illinois Common Interest Community Association Act, 765 ILCS 160/1-1, *et seq.*, as amended from time to time. Unless otherwise specifically defined in this Declaration, the terms of this Declaration shall have the same meaning as provided in the Act.

1.02 ASSOCIATION: The Regency at the Glen Townhome Owners Association, an Illinois not for profit corporation.

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

1.04 BY-LAWS: The By-Laws of the Association which are attached hereto as Exhibit E.

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

1.06 COMMON AREA: Those portions of the Premises which are designated as "Common Area" in Exhibit B hereto from time to time and all improvements located thereon, including, without limitation, private drives, parking areas, street lights, fencing (installed by Declarant), the Private Storm Sewer (as depicted in Exhibit D), landscaping and retaining walls. The Common Area shall generally consist of all portions of the Premises located outside of the Homes and the Home Exteriors.

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

1.08 COMMON EXPENSES: The expenses of operating and administering (including management and professional services) of the Association; the expenses of providing all maintenance, repair and replacement required to be furnished by the Association under this Declaration; amounts payable by the Association under the Cross Easement and Cost Sharing Agreement; premiums for insurance policies maintained by the Association hereunder; the cost of general and special real estate taxes, if any, levied or assessed against the Common Area (which is not part of a Parcel); if not separately metered or charged to the Owners, the cost of waste removal, scavenger services, water, sewer, or other necessary utility services to the buildings; any expenses designated as Common Expenses hereunder. Notwithstanding the foregoing, Common Expenses shall not include any payments made out of Capital Reserves.

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

1.10 CROSS EASEMENT AGREEMENT: That certain Cross Easement and Cost Sharing Agreement between the Association and the Regency at the Glen Duplex Homes Owners Association, LLC, an Illinois limited liability company, as amended from time to time.

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1.11 DECLARANT: Pulte Home Corporation, a Michigan corporation, its successors and assigns. For the purposes of this Declaration, the Declarant shall be the "Developer," as that term is defined in the Act.

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

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

1.14 DEVELOPMENT AREA: The real estate described in Exhibit A hereto with all improvements thereon and rights appurtenant thereto, as Exhibit A may be amended as provided in Section 10.01. Exhibit A is attached hereto for informational purposes only and no covenants, conditions, restrictions, easements, liens or changes shall attach to any part of the real estate described therein, except to the extent that portions thereof are described in Exhibit B and expressly made subject to the provisions of this Declaration as part of the Premises.

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

1.16 HOME: That portion of a Parcel which is improved with a dwelling unit.

1.17 HOME EXTERIOR: The roof, gutters, downspouts, foundation or slab, footings, sidewalks, steps, decks and outer surface of exterior walls of a Home. The Home Exterior shall not include windows, window frames, window glass, doors (including garage and storm doors) or screening which are part of a Home.

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

1.19 OWNER: A Record owner, whether one or more persons, of fee simple title to a Parcel, 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 Parcel owned by the Declarant.

1.20 PARCEL: Each residential lot in the Premises shall be improved with a building containing at least four (4) dwelling units. Each such dwelling unit shall share a perimeter wall with at least one (1) other dwelling unit. The shared walls are defined as "Party Walls" in Section 13.01 hereof. Each residential lot in the Premises shall be divided into at least four (4) tracts which shall be defined by the Party Walls, as extended to the lot line. Each such tract shall consist of a dwelling unit (including approximately one-half (1/2) of the Party Wall which divides the dwelling unit from adjacent dwelling units) landscapable areas, and portions of driveways and walkways. Each tract shall be legally described in the deed which conveys the tract to the first purchaser thereof from the Declarant and the tract so described, together with all improvements thereon, shall be a "Parcel" hereunder.

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

1.22 PREMISES: Those portions of the Development Area which are legally described in Exhibit B hereto, with all improvements thereon and rights appurtenant thereto. Declarant shall have the right, but not the obligation, to make additional portions of the Development Area subject to this Declaration as part of the Premises as more fully provided in Article Twelve.

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

1.24 RESIDENT: An individual who resides in a Home.

1.25 TURNOVER DATE: The date on which the rights of the Declarant to designate the members of the Board are terminated under Section 9.05 and Section 1-50 of the Act.

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

## ARTICLE TWO

### Scope of Declaration/Certain Easements

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 and the Act. Declarant shall have the right from time to time to subject additional portions of the Development Area to the provisions of this Declaration as Added Premises, as provided in Article Twelve hereof. Nothing in this Declaration shall be construed to obligate the Declarant to subject to this Declaration as Premises any portion of the Development Area other than those portions which are described in Exhibit B hereto or which are added to Exhibit B by Supplemental Declarations Recorded by Declarant pursuant to Article Twelve.

2.02 CONVEYANCES SUBJECT TO DECLARATION: All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any Person having at any time any interest or estate in the premises, and their respective heirs, successors, personal representatives or assigns, regardless of whether the deed or other instrument which creates or conveys the interest makes reference to this 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 forty (40) years from the date of Recording of this Declaration and for successive periods of ten (10) years each unless revoked, changed or amended in whole or in part as provided in Section 10.02.



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2.04 PARCEL CONVEYANCE: Once a Parcel has been conveyed by the Declarant to a bona fide purchaser for value, then any subsequent conveyance or transfer of ownership of the Parcel shall be of the entire Parcel and there shall be no conveyance or transfer of a portion of the Parcel without the prior written consent of the Board.

2.05 ACCESS EASEMENTS: Each Owner of a Parcel shall have a non-exclusive perpetual easement for ingress to and egress from his Parcel to public streets and roads over and across the private roads, driveways, pathways and walkways located on the Common Area, which easement shall run with the land, be appurtenant to and pass with title to every Parcel. Any governmental authority which has jurisdiction over the Premises, including without limitation, the Municipality, shall have a non-exclusive easement of access over private roads and driveways located on the Common Area and Parcels for police, fire, ambulance, waste removal, snow removal, or for the purpose of furnishing municipal or emergency services to the Premises. The Association, its employees, agents and contractors, shall have the right of ingress to, egress from, and parking on the Common Area, and the right to store equipment on the Common Area, for the purpose of furnishing any maintenance, repairs or replacements of the Common Area and Home Exteriors, as required or permitted hereunder.

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

2.07 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 Association, any Owner may delegate his right to use and enjoy the Common Area to Residents of the Owner's Home. An Owner shall delegate such rights to tenants and contract purchasers of the Owner's Parcel who are Residents.

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

#### 2.09 UTILITY EASEMENTS:

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

(b) Each Owner of a Parcel shall have a perpetual easement for the continued existence and use of water, sewer, electric, gas or other utility lines, and/or components of other systems

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which were originally installed by the Declarant or a utility company and which serve the Owner's Home, which utility lines or wiring may be located in the Common Area or any other portion of the Premises, including, without limitation, under or through another Home.

2.10 EASEMENTS, LEASES, LICENSES AND CONCESSIONS: The Association shall have the right and authority from time to time to lease or grant easements, licenses, or concessions with regard to any portions or all of the Common Area for such uses and purposes as the Board deems to be in the best interests of the Owners and which are not prohibited hereunder, including, without limitation, the right to grant easements for utilities or any other purpose which the Board deems to be in the best interests of the Owners. Any and all proceeds from leases, easements, licenses or concessions with respect to the Common Area shall be used to pay the Common Expenses. Also, the Association shall have the right and power to dedicate any part or all of the roads or parking areas located on the Common Area to the Municipality or other governmental authority which has jurisdiction over the Common Area. Each person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Parcel, shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Association and duly Recorded.

2.11 ASSOCIATION'S ACCESS: The Association shall have the right and power to come onto any Parcel, Home, or Home Exterior for the purpose of furnishing the services required to be furnished hereunder, including, without limitation, the services described in Section 3.02 and Section 3.05, or enforcing its rights and powers hereunder.

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

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

(a) the eaves, gutters, downspouts, fascia, flashings, and like appendages which serve the Home or the Parcel;

(b) the chimney which serves the Home on the Parcel;

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- (c) the air conditioning equipment which serves the Home on the Parcel; or
- (d) balconies, steps, porches, decks, walkways, door entries and patios which serve the Home on the Parcel.

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.

2.14 OWNERSHIP OF COMMON AREA: Those portions of the Common Area, if any, which are part of a Parcel shall be owned by the Owner of the Parcel. Those portions of the Common Area which are not part of a Parcel, shall be conveyed to the Association free of mortgages no later than sixty (60) days after the Turnover Date, subject to the rights of Owners from time to time of the Parcels to use and enjoy the Common Area as provided herein.

2.15 LEASE OF HOME: Subject to the provisions of Section 9.02, an Owner shall have the right to lease all (and not less than all) of his Home subject to the following provisions:

- (a) No Home shall be leased for less than six (6) months or for hotel or transient purposes; and
- (b) Any lease shall be in writing and shall provide that such lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease. A lessee shall be bound by the provisions hereof regardless of whether the lease specifically refers to this Declaration.
- (c) Each Owner who leases his Home shall be required to furnish the Association with a copy of the lease and shall promptly notify the Association of any change in status of the lease. The Association shall maintain a record of such information with respect to all leased Homes.

2.16 REAL ESTATE TAXES FOR COMMON AREA AND PARCELS: If a tax bill is issued with respect to Common Area (which is not part of a Parcel) which is made subject to this Declaration in the middle of a tax year (regardless of when it is conveyed to the Association), then the tax bill shall be prorated so that the Declarant shall be responsible for the payment of that portion of the tax bill from January 1<sup>st</sup> of the tax year to the date that such Common Area is made subject to this Declaration, and the Association shall be responsible for the balance of the tax bill for such year, and any tax bills for subsequent years. Each Owner of a Parcel shall be responsible for the payment of real estate taxes levied with respect to the Owner's Parcel (including that portion of the Owner's Parcel which is designated as Common Area hereunder).

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## 2.17 DISCLOSURE REGARDING NAVY REQUIREMENTS IN DEEDS:

(a) The Development Area was previously owned by the U.S. Department of the Navy (“Navy”). The Navy conveyed the Development Area to Midwest Family Housing LLC (“MFH”), and MFH conveyed the Development area to Declarant. The deeds which conveyed the Development Area to MFH and Declarant imposed certain obligations on the current and future owners of portions of the Development Area. Each Owner, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Parcel hereunder, shall be deemed to acknowledge, and agree to comply with, each of the following obligations which are found in the deeds Recorded as Document No. 1204618037 and Document No. 1204618038:

(i) Each Owner of a Parcel must comply, and must require their transferees of the Parcel to comply, with all applicable federal, state and local laws in their use and occupancy of the Parcel.

(ii) Each Owner of a Parcel acknowledges that the Owner was notified that the terms and provisions of all existing covenants, conditions, restrictions, easements, rights-of-way, reservations, rights, agreements, and encumbrances recorded and unrecorded, shall apply to the Owner and their respective successors and assigns for so long as the Owner shall own the Parcel.

(iii) Each Owner of a Parcel releases and holds the Navy harmless from any responsive action or corrective action necessary for any release or threatened release of hazardous substances which first occur on the Parcel following the date of transfer to the Owner and during the Owner’s period of ownership, that are determined to be the results of such Owner’s actions or the actions of any third parties, and which actions are not related to U.S. Department of Defense activities. Furthermore, each Owner agrees to indemnify the Navy from damages and responsive actions resulting from the Owner’s actions or the actions of any third party during the Owner’s period of ownership. Each Owner of a Parcel shall notify the next Owner of the Parcel that these obligations shall apply to such next Owner and its successors and assigns so long as they shall own the Parcel.

(iv) Each Owner of a Parcel agrees to (i) conduct, or require any future Owner of the Parcel to conduct radon screening with respect to the Parcel, (ii) provide any building or structure on the Parcel with and maintain or require any future Owners of the Parcel to provide and maintain an active or passive radon mitigation unit if the amount of radon in any such building or structure is greater than 4 Picocuries per liter of air, and (iii) comply with, or require any future Owner of the Parcel to comply with, Environmental Protection Agency and state standards regarding the maintenance of active or passive radon mitigation units.

(b) Pursuant to the federal CERCLA statute (42 U.S.C. § 9620(h)(3)(A)(ii) and (B)), the Navy warranted to MFH in the deed which conveyed the Development Area from the Navy to MFH (“Navy Deed”), that the Navy took all remedial action necessary to protect human health and the environment with respect to hazardous substances identified pursuant to CERCLA

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remaining on the Development Area, and if any additional remedial action were found to be necessary it would be conducted by the Navy. For that reason, the Navy reserved in the Navy Deed an easement and right of access over the Parcel and other portions of the Development Area to perform any remedial action which is the Navy's responsibility. Each Owner, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Parcel hereunder, shall be deemed understand the easement and right of access in favor of the Navy exists over the Parcel and other portions of The Glen master planned community, as more fully provided in the Navy Deed.

(c) In the event of a conflict between the terms contained in this Section 2.17 and any of the deeds described in this Section 2.17, the terms in the deeds shall prevail.

## ARTICLE THREE Maintenance

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

### 3.02 MAINTENANCE BY THE ASSOCIATION:

(a) The Association shall furnish the following and the cost thereof shall be Common Expenses:

(i) Maintenance (including snow removal), repair and replacement of the parking areas, driveways and walkways located on the Common Areas (as depicted on Exhibit C attached hereto and designated as Private Pavement and Private Sidewalk);

(ii) Maintenance, repair and replacement of improvements located on the Common Area, including, but not limited to retaining walls, street lights and perimeter fencing, if any, installed by the Declarant on the Premises;

(iii) Subject to the provisions of Section 3.07 and 3.08, grass cutting and maintenance of grass and landscaping located on the Common Area; however, the watering of grass, shrubs, trees and other foliage on the Premises shall be furnished by the Owners and/or Residents pursuant to rules, regulations and procedures adopted from time to time by the Board;

(iv) Maintenance, repairs and replacements to Home Exteriors; provided, however that exterior window washing which shall be the responsibility of the Owner of each Home;

(v) Periodic painting of the Home Exteriors and window frames, doors (including garage doors) and door frames;

(vi) Maintenance, repair and replacement of the Sump Pumps, as more fully described in Section 3.05 below;

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(vii) Maintenance, repair and replacement of the Private Storm Sewer (as depicted on Exhibit D attached hereto) which serve the Homes hereunder;

(viii) To the extent not maintained by a utility company, maintenance, repair and replacement of the electric, gas and other utility lines and components of other systems, if any, which (a) are located on the Premises, including, without limitation, those located in the Common Area and those which run under or through Homes, and (b) serve more than one Home; and

(ix) Maintenance, repair and replacement of the fencing installed by the Declarant, if any, along the south property line of Outlot B

(b) The Association shall maintain the grass, shrubs, trees, and flowers, if any, installed by the Declarant on the Common Area ("Initial Plantings") in accordance with generally accepted landscape maintenance standards, including mowing, trimming, fertilization, pruning, re-mulching, applications of insect and disease control, as needed, and any other maintenance which will promote the health of the Initial Plantings. If the Association fails to maintain the Initial Plantings in accordance with generally acceptable landscape maintenance standards and Initial Plantings die or decline as a result of this failure, then, the Association shall be responsible for the replacement of the declining or dead Initial Plantings, including, but not limited to replacements required by the Municipality in connection with the Municipality's acceptance of the Initial Plantings. All expenses incurred under this subsection shall be Common Expenses.

### 3.03 MAINTENANCE BY OWNER:

(a) Except as otherwise specifically provided for in this Declaration, each Owner shall be responsible for the maintenance, repair and replacement of the Owner's Home.

(b) Each Owner shall be responsible for disconnecting any hose and turning off any exterior spigot which serves the Owner's Home and shall be responsible for any damage which occurs as a result of the Owner's failure to do so.

(c) The maintenance (other than periodic exterior painting which shall be performed by the Association), repairs and replacements of windows, window frames, window glass, doors (including garage and storm doors) and screening on a Home shall be the responsibility of the Owner of the Home; however, at the option of the Board, such work shall be furnished by the Association and the cost thereof charged to the Owner of the Home with respect to which the work is done based on actual cost, as determined by the Board, in its or their reasonable judgment.

(d) To the extent not maintained by a utility company, maintenance, repair and replacement of electric, gas and other utility lines, and components of other systems, if any, which serve only the Owner's Home and are located on any portion of the Premises, including, without limitation, on the Common Area, under the Owner's Home or other Homes, or on another Owner's Parcel, shall be the responsibility of the Owner of the Home served by any such utility lines or system.

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(e) If, in the judgment of the Board, an Owner fails to maintain those portions of the Owner's Home which the Owner is responsible for maintaining hereunder in good condition and repair or the appearance of such portions is not of the quality of that of other Homes in the Development or in compliance with rules and regulations adopted by the Board, then the Board may, in its discretion, take the following action:

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

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

(f) Repairs and replacements which are required due to occurrences which are normally covered by insurance required to be obtained by the Association under Section 4.01 shall be made as provided in Section 4.06

**3.04 CERTAIN UTILITY COSTS:** Certain utility costs incurred in connection with the use, operation and maintenance of the Common Area and Home Exteriors may not be separately metered and billed to the Association. Without limiting the foregoing, the Association shall have the right to use water from taps or spigots which may be located on a Parcel for the purpose of watering landscaping on the Common Areas. Except as otherwise provided in Section 3.05 below, if the cost for such water or other utilities is metered and charged to individual Homes rather than being separately metered and charged to the Association, then the following shall apply:

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

(b) If in the opinion of the Board, the Owner of a Home is being charged disproportionately for costs allocable to the Common Area and Home Exteriors, then the Association shall pay, or reimburse such Owner, an amount equal to the portion of the costs which in the reasonable determination of the Board is properly allocable to the Common Area and Home Exteriors and the amount thereof shall be Common Expenses hereunder.

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

**3.05 SUMP PUMPS:** Each building is served by one (1) sump pump ("Sump Pump") which is located in one of the Homes in the building ("Sump Pump Home"). Each Sump Pump Home is designated in Section III of Exhibit B hereto. Except as provided in Section 3.06 below, the Association shall be responsible for all maintenance, repair and replacement of the Sump Pumps and the cost thereof shall be a Common Expense. The electricity costs incurred in

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connection with the operation of each Sump Pump will not be separately metered and billed to the Association, but rather, will be connected to the electrical system and meter which serves the Sump Pump Home. Each Owner of a Sump Pump Home shall be responsible for paying the electricity costs associated with the operation of the Sump Pump and the Association shall annually reimburse each Owner for the cost of the electricity needed to operate the sump pump in an amount not less than ten dollars (\$10.00) per month ("Reimbursement Amount"). An Owner of a Sump Pump Home shall have the right to demonstrate to the reasonable satisfaction of the Board, that the actual cost is higher than the Reimbursement Amount, in which case the Reimbursement Amount shall be adjusted accordingly. The Reimbursement Amount shall be given in the form of a credit against the annual assessment payable by each Owner of a Sump Pump Home. Any damage to the Improvements and Betterments (as defined in Section 4.01 below) located within a Sump Pump Home caused by the failure of a Sump Pump shall be covered solely by the insurance required to be obtained by each Owner under Section 4.01 below, and each Owner of a Sump Pump Home hereby waives any claim against the Association, the Board and any other Owner for damage to the Improvements and Betterments located within the Owner's Home.

3.06 DAMAGE BY RESIDENT: If, due to the act or omission of a Resident of a Home, or of a household pet or guest or other authorized occupant or invitee of the Owner of a Parcel, damage shall be caused to the Common Area, Home Exterior or a Sump Pump, and maintenance, repairs or replacements shall be required thereby, which would otherwise be a Common Expense, then the Owner of the Parcel shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by insurance carried by the Association or an Owner.

### 3.07 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE COMMON AREA:

(a) No alterations, additions or improvements shall be made to the Common Area without the prior approval of the Board.

(b) The Association may cause alterations, additions or improvements to be made to the Common Area, and the cost thereof shall be paid from a special assessment, as more fully described in Section 6.05.

(c) If the Association shall alter, in any way, landscaping which was installed by the Declarant on the Common Area in accordance with plans approved by the Municipality, and if the Municipality requires that the altered area be returned to its original state, then the Association shall be responsible for restoring the altered area in accordance with the plans approved by the Municipality and the cost thereof shall be a Common Expense.

3.08 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE PARCELS: No additions, alterations or improvements shall be made to any Parcel (including any part of the Home which is visible from outside the Home) by an Owner without the prior written consent of the Board and, until the Declarant no longer holds title to any portion of the Development Area, the Declarant. The Board may (but shall not be required to) condition its or their consent to the making of an addition, alteration or improvement to a Parcel which requires the consent of the



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Board upon the Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) if the addition, alteration or improvement is required to be maintained hereunder by the Association as part of the Common Expenses, to pay to the Association from time to time the additional cost of maintenance as a result of the addition, alteration or improvement. If an addition, alteration or improvement which requires consent of the Board and/or Declarant hereunder is made to a Parcel by an Owner without the prior written consent of the Board or Declarant, or both, as applicable, then (i) the Board may, in its or their discretion, take any of the following actions; and (ii) until such time as the Declarant no longer owns or controls title to any portion of the Development Area, the Declarant may, in its discretion take any of the following actions:

(a) Require the Owner to remove the addition, alteration or improvement and restore the Parcel 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 Board may cause such work to be done and may charge the Owner for the cost thereof as determined by the Board or the Declarant, as applicable; or

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

3.09 SPECIAL SERVICES : The Board may furnish to an Owner or Owners special services relating to the use and occupancy of a Parcel or Parcels and may charge the cost of providing such services to the Owner or Owners who benefit from the service. Without limiting the foregoing, the Association may contract with a provider of a special service, such as satellite TV service, cable TV service, internet access or other similar service, either make such service available to all Parcels or offer such service to each of the Owners on a voluntary basis. The Board may charge the Owner of each Parcel which receives any such service for the reasonable cost of providing such service, which may be allocated in equal shares for each of the Parcels which is served or on such other reasonable basis as the Board may deem appropriate. Any amount charged to an Owner for services furnished pursuant to this Section shall be due and payable at such time or times as designated by the Board, and failure to pay any such amount shall give rise to a lien provided for in Section 6.01.

## ARTICLE FOUR Insurance/Condemnation

4.01 HAZARD INSURANCE: The Board shall have the authority to and shall obtain insurance for the Premises and all improvements thereto against loss or damage by fire and such other hazards as may be required under applicable requirements of Fannie Mae from time to time, as the Board may deem desirable, or as reasonably required by First Mortgagees, for the full insurable replacement cost of the Homes, including fixtures located within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the Homes; provided, that, unless specifically obtained by the Board, the insurance coverage shall not be required to include any "Improvements and Betterments" to a Home. For purposes hereof, Improvements and

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Betterments shall include all decorating, fixtures and furnishings installed or added to and located within the boundaries of the Home, including without limitation, electrical fixtures, appliances, air conditioning and heating equipment, water heaters, built in cabinets, floor coverings, including, but not limited to, carpeting, wood and vinyl flooring, wall coverings and ceiling coverings, including, but not limited to, paint and paneling. Premiums for such insurance shall be Common Expenses. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the Board as trustee for each of the Owners. All such policies of insurance (i) shall contain standard mortgage clause endorsements in favor of the First Mortgagees as their respective interests may appear, (ii) shall provide that the insurance, as to the interests of the Board, shall not be invalidated by any act or neglect of any Owner, (iii) to the extent possible, shall provide that such policy shall not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' written notice to the First Mortgagee of each Parcel, and (iv) shall contain waivers of subrogation with respect to the Association and its directors, officers, employees and agents (including the managing agent), Owners, occupants of the Home, First Mortgagees, the Declarant and shall name all such parties as additional insured parties as their interests may appear.

4.02 INSURANCE TRUSTEE/USE OF PROCEEDS: The Board may engage the services of any bank or trust company authorized to do trust business in Illinois to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of this Declaration. The fees of such corporate trustee shall be Common Expenses. In the event of any loss in excess of \$100,000.00 in the aggregate, the Board shall engage a corporate trustee as aforesaid. In the event of any loss resulting in the destruction of the major portion of one or more Homes, the Board shall engage a corporate trustee as aforesaid upon the written demand of the First Mortgagee or any Owner of any Home so destroyed. The rights of First Mortgagees under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions of this Declaration with respect to the application of insurance proceeds to the repair or reconstruction of the Homes. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of a release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

4.03 OTHER INSURANCE: The Board shall also have the authority to and shall obtain the following insurance:

(a) Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Owner occurring in, on or about the Premises or upon, in or about the streets, private drives and passageways and other areas adjoining the Premises, in such amounts as the Board shall deem desirable (but not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence).

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

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

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

(e) Directors and officers liability insurance covering the Board.

(f) Such other insurance in such reasonable amounts as is required under applicable regulations of Fannie Mae or the Board shall deem desirable.

Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. To the extent possible, all of such policies shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the Association and First Mortgagees who specifically request such notice. The premiums for such insurance shall be Common Expenses.

4.04 OWNER'S RESPONSIBILITY: Unless expressly advised to the contrary by the Board, each Owner shall obtain his own insurance on the Improvements and Betterments within the Owner's Home (as defined in Section 4.01), and the contents of the Owner's Home and furnishings and personal property therein, and the Owner's personal liability to the extent not covered by the liability insurance for all of the Owners obtained as part of the Common Expenses as above provided, and the Board shall have no obligation whatsoever to obtain any such insurance coverage on behalf of the Owners. Except as expressly determined by the Board, the Board shall not be responsible for obtaining insurance on Improvements and Betterments and shall not be obligated to apply any insurance proceeds from policies it is obligated to maintain hereunder to restore the affected Home to a condition better than the condition existing prior to the making or installation of the Improvements and Betterments.

4.05 WAIVER OF SUBROGATION: The Association and each Owner hereby waive and release any and all claims which it or he may have against any other Owner, the Association, its directors and officers, the Declarant and the managing agent if any, and their respective employees and agents, for damage to the Home or any personal property located in a Home or to the Common Area, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance, and to the extent this release is allowed by policies for such fire or other casualty insurance.

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## 4.06 REPAIR OR RECONSTRUCTION:

(a) In the case of damage by fire or other disaster to any Home (a "Damaged Improvement") where the insurance proceeds are sufficient to repair or reconstruct the Damaged Improvement, then the proceeds shall be used by the Association to repair or reconstruct the Damaged Improvement.

(b) In the case of damage by fire or other disaster to any Home or building which contains Homes where the insurance proceeds are insufficient to repair or reconstruct the Damaged Improvement or the Damaged Improvement cannot be reconstructed as originally designed and built because of zoning, building or other applicable laws, ordinances or regulations, the following procedure shall be followed:

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

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

(3) A vote shall then be taken on the question of whether or not the Damaged Improvement shall be repaired or reconstructed based on the information provided by the Board under (2) above, including the proposed special assessment. The Damaged Improvement shall be repaired or reconstructed and the proposed special assessment shall be levied only upon the affirmative vote of Voting Members representing at least three-fourths (3/4) of the votes cast.

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

(5) If the Voting Members do not vote to repair or reconstruct the Damaged Improvement under subsection (4) above, then the Board may, with the consent of Owners representing 75% of the Homes in the damaged building and First Mortgagees representing 75% of the Homes (by number) subject to Mortgages in the building, amend this Declaration to withdraw the building which includes the Damaged Improvement from the terms hereof (except as provided below). The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Owner shall be made to such Owner and his First Mortgagee, as their interests may appear, on an equitable basis, determined by the Board. From and after the effective date of the amendment referred to above in this paragraph, the Owner of a Home located in the building which is withdrawn shall have no responsibility for the payment of assessments which would have been payable with respect to the Parcel if the amendment had not been

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Recorded; provided, that, the Parcel shall continue to be subject to the provisions of Section 3.08 hereof and upon issuance of an occupancy permit for a residential unit constructed on a Parcel removed from the terms hereof as provided above, the Parcel shall thereupon be subject to the terms hereof.

(c) If the Damaged Improvement is repaired or reconstructed, it shall be done in a workmanlike manner and the Damaged Improvement, as repaired or reconstructed, shall be substantially similar in design and construction to the improvements on the Premises as they existed prior to the damage, with any variations or modifications required to comply with applicable law.

(d) If the Damaged Improvement is not repaired or reconstructed, then the damaged portion of the building shall be razed, or secured and otherwise maintained in conformance with the rules or standards adopted from time to time by the Board. Any reconstruction of the building shall be subject to the provisions of Section 3.08.

## ARTICLE FIVE The Association

5.01 IN GENERAL: Declarant has caused or shall cause the Association to be incorporated as a not-for-profit corporation under the laws of the State of Illinois. The Association shall be the governing body for all of the Owners for the administration and operation of the Common Area and for the maintenance repair and replacement of the Common Area and certain portions of the Home Exteriors as provided herein.

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

5.03 VOTING MEMBERS: Subject to the provisions of Section 9.05, voting rights of the members of the Association shall be vested exclusively in the Voting Members. One individual shall be designated as the "Voting Member" for each Parcel. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners. If the Record ownership of a Parcel shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Parcel shall be designated by such Owner or Owners in writing to the Board and, if in the case of multiple individual Owners, no designation is given, then the Board at its or their election may recognize an individual Owner of the Parcel as the Voting Member for such Parcel.

5.04 BOARD: Subject to the rights retained by the Declarant under Section 9.05, the Board shall consist of that number of members provided for in the By-Laws, each of whom shall be an Owner or Voting Member.

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5.05 VOTING RIGHTS: Prior to the Turnover Date, all of the voting rights at each meeting of the Association shall vest exclusively in the Declarant and the Owners shall have no voting rights. From and after the Turnover Date, all of the voting rights at any meeting of the Association shall be vested in the Voting Members and each Voting Member shall have one vote for each Parcel which the Voting Member represents. From and after the Turnover Date any action may be taken by the Voting Members at any meeting at which a quorum is present (as provided in the By-Laws) upon an affirmative vote of a majority by the Voting Members present at such meeting, except as otherwise provided herein or in the By-Laws.

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

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

5.08 REPRESENTATION: The Association shall have the power and right to represent the interests of all of the Owners in connection with claims and disputes affecting the Common Area and Home Exteriors. Without limiting the foregoing, the Association shall have the power after the Turnover Date to settle warranty disputes or other disputes between the Association, the Owners, and the Declarant affecting the construction, use or enjoyment of the Common Area and Home Exteriors and any such settlement shall be final and shall bind all of the Owners.

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5.09 DISSOLUTION: To the extent permissible under applicable law, in the event of the dissolution of the Association, any Common Area owned by the Association shall be conveyed to the Owners as tenants in common.

## ARTICLE SIX

### Assessments

6.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be exclusively to administer the affairs of the Association, to pay the Common Expenses, and to accumulate reserves for any such expenses.

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

- (a) The estimated Common Expenses;
- (b) The estimated amount, if any, to maintain adequate reserves for Common Expenses including, without limitation, amounts to maintain the Capital Reserve;
- (c) The estimated net available cash receipts from the operation and use of the Common Area, plus the estimated excess funds, if any, from the current year's assessments;
- (d) The amount of the "Common 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) That portion of the Common Assessment which shall be payable by the Owner of each Parcel which is subject to assessment hereunder each month until the next Common Assessment or revised Common Assessment becomes effective, which monthly amount shall be equal to the Common Assessment, divided by the number of Parcels, divided by twelve (12), so that each Owner shall pay equal Common Assessments for each Parcel owned.

Anything herein to the contrary notwithstanding the provisions of this paragraph shall apply with respect to the period prior to the Turnover Date. Any budget ("Stabilized Budget") prepared by the 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 Development Plan and (ii) all proposed Homes have been sold and are occupied. Prior to the Turnover Date, each owner of a Parcel (other than Declarant) shall pay a Common Assessment equal to the total cash needs, as shown on the Stabilized Budget, divided by the total number of proposed Homes, as shown on the Declarant's Development Plan, divided by 12, so that each Owner (other than Declarant) will pay, with respect to each Parcel owned, a monthly Common Assessment equal to what such Owner would be paying with respect to the Owner's Parcel if the Development were fully constructed pursuant to the Declarant's Development Plan and all proposed Homes have been built and are occupied. The Declarant shall not be obligated to pay any Common Assessments to

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the 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 Common Assessments and working capital contributions under Section 6.07 payable by Owners (other than Declarant) less the portions thereof which are to be added to Capital Reserves is less than the Common Expenses actually incurred with respect to such period, then the Declarant shall pay the difference to the Association. From time to time prior to the Turnover Date, the Declarant may (but shall not be obligated to) advance to the Association funds to be used by the Association to pay its expenses ("Advanced Funds"). A final accounting and settlement of the amount, if any, owed by Declarant to the Association shall be made as soon as practicable after the Turnover Date. If, and to the extent that, the final accounting determines that the Advanced Funds, if any, are less than the amount owed by the Declarant to the Association pursuant to this Section, the Declarant shall pay the difference to the Association. If, and to the extent that, the final accounting determines that the Advanced Funds, if any, exceed the amount owed by the Declarant to the Association pursuant to this Section, then the Association shall pay such excess to the Declarant.

**6.03 PAYMENT OF COMMON ASSESSMENT:** On or before the 1st day of January of the ensuing calendar year, and on the first day of each month thereafter until the effective date of the next annual or revised Common Assessment, each Owner of a Parcel which is subject to assessment shall pay to the Association, or as the Board may direct, that portion of the Common Assessment which is payable by each Owner of a Parcel under Section 6.02. For purposes hereof, a Parcel shall only be subject to assessment hereunder from and after such time as a temporary, conditional or permanent occupancy certificate has been issued with respect to the Home constructed thereon. With respect to any Parcel which is subject to assessment hereunder and which is (i) owned by the Declarant and improved with a completed residence but unoccupied by any tenant of Declarant, or (ii) owned by any party but occupied by Declarant and used as a model or sales office, shall be limited to 25% of the assessment levied with respect to such type of Parcel owned by Owners other than the Declarant.

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

**6.05 SPECIAL ASSESSMENT:** After the Turnover Date, the Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Common Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Common Area, or any other property owned or maintained by the Association; or (ii) to cover an unanticipated deficit under the prior year's budget. Any special assessment shall be levied against all of Parcels which are subject to assessment in equal shares for each such Parcel. No special assessment shall be adopted without the affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes cast on the question. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in



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such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

**6.06 CAPITAL RESERVE:** The Association shall segregate and maintain a special reserve account to be used solely for making capital expenditures in connection with the Common Area, and those portions of the Home Exteriors with respect to which the Association is responsible for repair and replacement (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Area, the portions of the Home Exteriors for which the Association is responsible and other property owned by the Association and periodic projections of the cost of anticipated major repairs or replacements to the Common Area, the portions of the Home Exteriors for which the Association is responsible and the purchase of other property to be used by the Association in connection with its duties hereunder. The Capital Reserve may be built up by separate or special assessments or out of the Common Assessment as provided in the budget. Special accounts set up for portions of the Capital Reserve to be used to make capital expenditures with respect to the Common Area, and those portions of the Home Exteriors for which the Association is responsible and other property owned by the Association, shall be held by the Association as agent and trustee for the Owners of Homes with respect to which the Capital Reserve is held and such accounts shall be deemed to have been funded by capital contributions to the Association by the Owners. The budgets which will be adopted from time to time by the Board prior to the Turnover Date shall include such reserve buildups which the Board deems to be appropriate based on information available to the Board. Boards elected by the Owners after the Turnover Date may use different approaches from those used by Boards appointed by the Declarant prior to the Turnover Date for the buildup of reserves or may choose not to provide for the buildup of reserves for certain capital expenditures or deferred maintenance for repairs or replacements of the Common Area, and those portions of the Home Exteriors for which the Association is responsible and other property owned by the Association. If the Board chooses not to provide for the buildup of reserves for a particular anticipated expenditure or if the buildup of reserves that the Board does provide for in the budget does not result in sufficient funds to pay for the expenditure when the expenditure must be made, then (i) neither the Board nor any of its past or present members shall be liable to the Association or the Owners for failing to provide for sufficient reserves and (ii) the Board shall have the right and power to either levy a separate or special assessment to raise the funds to pay the expenditure or to borrow funds to pay the expenditure and repay the borrowed funds out of future Common Assessments, separate assessments or special assessments. The final accounting and settlement calculation between the Declarant and the Association (provided for in Section 6.02 above) shall not include any amounts allocated to, or deposited in, the Capital Reserve.

**6.07 INITIAL CAPITAL CONTRIBUTION:** Upon the closing of the sale of each Home by the Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to three (3) monthly installments of the then current Common Assessment for that Home and an amount equal to the current annual fire and extended coverage insurance premium allocable to the Home, which amounts shall be held and used by the Association for its working capital needs (and not as an advance payment of the Common

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Assessment). In addition, the purchasing Owner shall pay to the Association the sum of One Hundred Dollars (\$100.00), which shall be added to the Capital Reserve.

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

## ARTICLE SEVEN

### Collection of Charges and Remedies for Breach or Violation

7.01 CREATION OF LIEN AND PERSONAL OBLIGATION: The Declarant hereby covenants, and each Owner of a Parcel 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 Association all Charges made with respect to the Owner or the Owner's Parcel. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Parcel against which such Charge is made and also shall be the personal obligation of the Owner of the Parcel 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 Association.

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

7.03 NON-PAYMENT OF CHARGES: Any Charge which is not paid to the Association when due shall be deemed delinquent. Any Charge which is delinquent for thirty (30) days or more shall bear interest at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, from the due date to the date when paid. The Association may (i) bring an action against the Owner personally obligated to pay the Charge to recover the Charge (together with interest, costs and reasonable attorney's fees for any such action, which shall be added to the amount of the Charge and included in any judgment rendered in such action), and (ii) enforce and foreclose any lien which it has or which may exist for its benefit. In addition, the Board may add a reasonable late fee to any installment of an assessment which is not paid within thirty (30) days of its due date. No Owner may waive or otherwise escape personal liability for the Charges hereunder by nonuse of the Common Area or by abandonment or transfer of his Parcel.

7.04 LIEN FOR CHARGES SUBORDINATED TO MORTGAGES: The lien for Charges, provided for in Section 7.01, shall be subordinate to the First Mortgagee's mortgage on the Parcel which was Recorded prior to the date that any such Charge became due. Except as hereinafter provided, the lien for Charges, provided for in Section 7.01, shall not be affected by any sale or transfer of a Parcel. Where title to a Parcel is transferred pursuant to a decree of foreclosure of the First Mortgagee's mortgage or by deed or assignment in lieu of foreclosure of the First Mortgagee's mortgage, such transfer of title shall extinguish the lien for unpaid Charges which became due prior to the date of the transfer of title. However, the transferee of the Parcel shall be personally liable for his share of the Charges with respect to which a lien against his

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Parcel 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 Common Assessment or special assessment, and non-payment thereof shall result in a lien against the transferee's Parcel, as provided in this Article.

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

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

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

**7.08 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 Parcel to enforce any lien created hereunder.

## ARTICLE EIGHT Use Restrictions

**8.01 INDUSTRY/SIGNS:** No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Common Area nor shall any "For Sale" or "For Rent" signs or any other advertising be maintained or permitted on any part of the Common Area or any Parcel, except as permitted by the Board or as permitted under Article Nine.

**8.02 UNSIGHTLY USES/REFUSE:** No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of any Parcel or the Common Area. The Premises

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shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. The Board shall have the right to adopt reasonable rules and regulations concerning window treatment or other decorating within a Home which is visible from outside the Home. Refuse and refuse containers must be stored in the garage of each Home, except that refuse and refuse containers (to the extent permitted by the Municipality and the Board) may be placed in such areas as shall be designated from time to time by the Board or the Municipality between dusk on the evening before the day of the scheduled pick up and dusk on the evening of the day of the scheduled pickup.

8.03 SATELLITE DISHES/ANTENNAE: Subject to applicable federal, state and local regulations, laws and ordinances, no satellite dish, television antenna or other similar device shall be attached to or installed (i) on any portion of the Common Area, (ii) on the roof of a Home, or (iii) on any portion of a Parcel which is visible from the front of the Home. The installation of satellite dishes, television antennae and other similar devices shall be subject to additional reasonable rules and regulations adopted from time to time by the Board. The restrictions set forth in this Section shall not apply to the Association with respect to the installation of equipment necessary for a master antenna system, cable television system or other similar systems within the Premises.

#### 8.04 RESIDENTIAL USE ONLY:

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

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

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

8.05 PARKING: The parking of vehicles on the Premises shall be subject to rules and regulations adopted by the Board from time to time, which rules and regulations may provide for the removal of any violating vehicles at the vehicle owner's expense or for the imposition of a fine for a violation of the rules and regulations. Without limiting the foregoing, the following shall apply:

(a) There shall be no parking permitted on the private roads or, except as specifically provided in subparagraph (b) below, the private driveways which serve the Premises.

(b) The garage which is part of each Home and that portion of the driveway which is adjacent to and extends approximately twenty (20) feet beyond the garage door ("Resident Reserved Parking Area") shall be used for parking only by the Resident of the Home and the Resident's guests; provided, however, that no vehicle may be parked in a Resident Reserved Parking Area for more than fourteen (14) consecutive nights.

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(c) The guest parking spaces (each a “Guest Parking Space”) shall be unallocated and available on first come-first serve basis. Unless expressly permitted by the Board the following shall apply: (i) Guest Parking Spaces shall not be used for overnight Resident parking, (ii) no boats, recreational vehicles, trailers or other vehicles shall be parked or stored in a Guest Parking Spaces for more than twenty-four (24) hours at a time, and (iii) a guest shall not be permitted to park a vehicle overnight in a guest parking space for more than seventy-two (72) hours.

(d) Residents shall not be permitted to park any vehicle (which has “D” or equivalent plates, more than two (2) axles, more than four (4) tires and/or a gross weight when fully loaded in excess of 8,000 pounds), recreational vehicle, boat, trailer or other similar vehicle on any portion of the Premises, other than within a garage which is part of a Home. In no event can any portion of a vehicle which is permitted to be parked on the Premises hereunder (including any ladder or other equipment attached thereto) block or overhang any portion of a sidewalk located on the Premises.

(e) Except for emergencies, no repairs or maintenance work shall be performed on any vehicle on the Premises, other than within a garage which is part of a Home.

**8.06 OBSTRUCTIONS:** Except as permitted under Section 9.03 there shall be no obstruction of the Common Area, and nothing shall be stored in the Common Area without the prior written consent of the Board. Notwithstanding the foregoing, nothing shall be permitted to be maintained or stored on the Common Area (including those portions of each Parcel which are designated as Common Area on Exhibit B attached hereto) which might interfere with stormwater drainage and/or impede access to utility or drainage improvements for maintenance purposes.

**8.07 PETS:** No animal of any kind shall be raised, bred or kept in the Common Area. No more than two (2) pets may be kept in any Home. No pet may be kept or raised for commercial purposes. The Board may from time to time adopt rules and regulations governing the (a) keeping of pets in the Home, which may include prohibiting certain species of pets from being kept in the Home, and (b) use of the Common Area by pets, including, without limitation, rules and regulations which require an Owner to clean up after his pet. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Premises upon three (3) days written notice from the Board to the Owner of the Home containing such pet and the decision of the Board shall be final.

**8.08 NO NUISANCE:** 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 annoyance or nuisance to the Residents.

**8.09 STRUCTURAL IMPAIRMENT:** Nothing shall be done in, on or to any part of the Premises which would impair the structural integrity of any Home located thereon.

**8.10 WATERING:** The Board may adopt rules and regulations governing the watering of grass, shrubs, trees and other foliage on the Common Area and Parcels. Without limiting the

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foregoing, the Board may require the Owner of a particular Parcel to be responsible for watering specific portions of the Common Area and/or Parcels as designated from time to time by the Board.

8.11 BALCONIES / GRILLS: The use and placement of gas and electric grills and other seasonal items on balconies shall be subject to applicable ordinances of the Municipality and rules and regulations adopted by the Board from time to time. The use of charcoal grills on the Premises is prohibited.

8.12 USE AFFECTING INSURANCE: Nothing shall be done or kept in any Home or on the Parcels or Common Area which will increase the rate of insurance on the Premises, without prior written consent of the Board. No Owner shall permit anything to be done or kept in his Home on the Parcels or Common Areas which will result in the cancellation of insurance on the Premises or which would be in violation of any law.

## ARTICLE NINE

### Declarant's Reserved Rights and Special Provisions Covering Development Period

9.01 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 five (5) years after the Declarant is no longer vested with or controls title to any portion of the Development Area.

9.02 PROMOTION OF PROJECT: The Declarant shall have the right and power, within its sole discretion, to (i) construct such temporary or permanent improvements, or to do such acts or other things in, on, or to the Premises as the Declarant may, from time to time, determine to be necessary or advisable, (ii) construct and maintain model homes, sales or leasing offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as the Declarant may deem advisable and to use such model homes (including model homes which are sold and leased back to the Declarant), sales or leasing offices or other facilities for the purpose of selling or leasing Homes on the Development Area or at other properties in the general location of the Development Area which are being offered for sale by the Declarant or any of its affiliates, without the payment of any fee or charge whatsoever to the Association. Declarant, its agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Common Area, at any and all reasonable times without fee or charge. The Declarant shall have the right and power to lease any Home owned by it to any person or entity which it deems appropriate in its sole discretion and it need not comply with the provisions of Section 2.15.

9.03 CONSTRUCTION ON PREMISES: In connection with the construction of improvements to any part of the Premises, the Declarant, its agents and contractors, shall have the right, at the Declarant's own expense, (but shall not be obligated) to make such alterations, additions or improvements to any part of the Premises including, without limitation, the

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construction, reconstruction and/or alteration of any temporary or permanent improvements which the Declarant deems, in its sole discretion, to be necessary or advisable, and the landscaping, sodding or planting and replanting of any unimproved portions of the Premises. 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 dirt, construction equipment and materials on the Premises without the payment of any fee or charge whatsoever.

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

9.05 DECLARANT CONTROL OF ASSOCIATION: The first and all subsequent Boards prior to Turnover shall consist solely of three (3) persons from time to time designated by the Declarant, which persons may, but need not, be members under Section 5.02. Declarant's rights under this Section to designate the members of the Board shall terminate on the first to occur of: (i) Sixty (60) days after Declarant has conveyed seventy-five percent (75%) of the number of Parcels made subject to this Declaration; (ii) the expiration of three (3) years from the date of the Recording of this Declaration; (iii) the date designated in written notice from the Declarant to all of the Owners as being the Turnover Date; or (iv) the date as provided in Section 1-50 or as otherwise provided in the Act. The date on which the Declarant's rights under this Section shall terminate shall be referred to as the "Turnover Date". From and after the Turnover Date, the Board shall be constituted and elected as provided in the Act and By-Laws. Prior to the Turnover Date, all of the voting rights at each meeting of the Owners shall be vested exclusively in the Declarant and the Owners shall have no voting rights.

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

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

9.08 ARCHITECTURAL CONTROLS: Prior to such time as the Declarant no longer holds or controls title to any portion of the Development Area, no additions, alterations or improvements (including, without limitation, changes in the exterior color of a Home or the

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installation of an antennae, satellite dish or similar changes) shall be made to the exterior of any Home or any part of the Home which is visible from outside the Home by an Owner without the prior written consent of the Declarant. If an addition, alteration or improvement which requires Declarant approval hereunder is made to a Home without the prior written consent of the Declarant, then the Declarant may seek injunctive relief to cause the Owner to cease construction of and/or remove the addition, alteration or improvement. Declarant's decision to approve or disapprove an alteration, addition or improvement in one instance shall not in any way create or establish a precedent for how the Declarant must respond to a request for an alteration, addition or improvement subsequently made, it being understood that circumstances, situations and standards may change and the Declarant reserves the right and power to grant or deny requests as Declarant believes are appropriate in Declarant's sole and absolute discretion.

## ARTICLE TEN Amendments

10.01 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 Farm: Mae, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Parcels, (iii) to correct omissions, errors, ambiguities or inconsistencies in the Declaration or any Exhibit, (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, and (v) to amend Exhibit A to include additional real estate. 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 Parcel 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 of the Declarant to record a Special Amendment hereunder shall terminate five (5) years after such time as Declarant no longer holds or controls title to a portion of the Development Area.

10.02 AMENDMENT: Subject to Section 10.01 and Article Eleven, 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 representing at least Seventy-Five percent of the total votes or by an instrument consented to, in writing, executed by Owners of at least Seventy-Five Percent (75%) of the Parcels; except, that (i) the provisions of this Section 10.02 may be amended only by an instrument executed by all of the Owners and all First Mortgagees, and (ii) until such time as the rights and powers of the Declarant under Article Nine terminate, the provisions of Article Nine, Article Fourteen or any provisions of this Declaration relating to the rights and powers of the Declarant may only be amended with the written consent of the Declarant. 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 Parcel shall no longer have the legal



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access to a public way from his Parcel. No amendment shall become effective until properly Recorded.

## ARTICLE ELEVEN First Mortgagees Rights

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

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

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

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

(d) Notice of any proposed action that requires the consent of a specified percentage of Eligible First Mortgagees;

(e) Notice of any substantial damage to any part of the Common Area or the Parcel subject to the First Mortgagee's mortgage;

(f) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Common Area or the Parcel subject to the First Mortgagee's mortgage;

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

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

(i) In the case of a First Mortgagee, the right to be listed on the records of the Association as an "Eligible First Mortgagee" for purpose of Section 11.02 below; and

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

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

## 11.02 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, the first mortgages on at least two-thirds (2/3) of the Parcels (by number) which are subject to first mortgages held by First Mortgagees which specifically request to be treated as "Eligible First Mortgagees" under Section 11.01(i) above will be required for the Association to do or permit to be done any of the following:

(1) Adoption of an amendment to this Declaration which (i) changes Article Six or otherwise changes the method of determining the Common Assessments or other Charges which may be levied against an Owner; (ii) changes Section 7.04 or Article Ten, (iii) changes this Article Eleven, Article Twelve or any other provision of this Declaration or by By-Laws which specifically grants rights to First Mortgagees, (iv) materially changes insurance and fidelity bond requirements, (v) changes voting rights, or (vi) imposes a right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Parcel;

(2) The withdrawal of the Premises from the provisions of this Declaration; provided, that, such consent of Eligible First Mortgagees will not be required with respect to any action under (1) above which occurs as a result of any action taken pursuant to Article Twelve.

(b) Whenever required, the consent of an Eligible First Mortgagee shall be deemed granted unless the party seeking the consent is advised to the contrary, in writing, by the Eligible First Mortgagee within sixty (60) days after making the request for consent.

11.03 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 Premises 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 Common Area, any such distribution shall be made to the Owners and their respective First Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the First Mortgagee of a Parcel with respect to any such distribution to or with respect to such Parcel; provided, that, nothing in this Section shall be construed to deny to the Association the right (i) to apply insurance proceeds to repair or replace damaged improvements or (ii) to apply proceeds of any award or settlement as a result of eminent domain proceedings as provided in Article Four.

## ARTICLE TWELVE Annexing Additional Property

12.01 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 (including after the

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Turnover Date) to annex, add and subject additional portions of the Development Area to the provisions of this Declaration as additional Premises by recording a supplement to this Declaration (a "Supplemental Declaration"), as hereinafter provided. Any portion of the Development Area which is subjected to this Declaration by a Supplemental Declaration shall be referred to as "Added Premises"; any portion of any Added Premises which is made part of the Common Area shall be referred to as "Added Common Area"; and any Parcels contained in the Added Premises shall be referred to as "Added Parcels". After the expiration of said ten (10) year period, Declarant may exercise the rights described herein to annex, add and subject additional portions of the Development Area to the provisions of this Declaration, provided that the consent of the Owners (by number) of two-thirds (2/3) of all Parcels then subject to this Declaration is first obtained.

12.02 POWER TO AMEND: Declarant hereby retains the right and power to Record a Supplemental Declaration, at any time and from time to time as provided in Section 12.01, which amends or supplements Exhibit B. Exhibit B may only be amended or supplemented pursuant to this Article to add portions of the Development Area to Exhibit B and shall not be amended to reduce or remove any real estate which is described in Exhibit B immediately prior to the Recording of such Supplemental Declaration. A Supplemental Declaration may contain such additional provisions affecting the use of the Added Premises or the rights and obligations of owners of any part or parts of the Added Premises as the Declarant deems necessary or appropriate.

12.03 EFFECT OF SUPPLEMENTAL DECLARATION: Upon the Recording of a Supplemental Declaration by Declarant which annexes and subjects Added Premises, Added Common Area, or Added Parcels to this Declaration, as provided in this Article, then:

(a) The easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges set forth and described herein shall run with and bind the Added 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 Persons having an interest or estate in the Premises, subjected to this Declaration prior to the date of the Recording of the Supplemental Declaration;

(b) Each Added Parcel shall be a Parcel hereunder and each Owner of an Added Parcel shall be a member of the Association on the same terms and subject to the same qualifications and limitations as those members who are Owners of Parcels 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 Common Area or the Added Parcels, if any) made subject to this Declaration by any such Supplemental Declaration and the Owners, First 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;

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

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

(f) Each Owner of an Added Parcel which is subject to assessment hereunder shall be responsible for the payment of the Common Assessment pursuant to Section 6.02(e) or Section 6.08, but shall not be responsible for the payment of any special assessment which was levied prior to the time that the Added Parcel became subject to assessment hereunder.

## ARTICLE THIRTEEN

### Party Walls

13.01 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 Homes shall constitute and be a "Party Wall", and the Owner of a Parcel 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.

13.02 RIGHTS IN PARTY WALL: Each Owner of a Parcel, 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.

### 13.03 DAMAGE TO PARTY WALL:

(a) If any Party Wall is damaged or destroyed through the act or acts of any Owner of a Parcel 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, with prior notice to the Association and the Owner of the other adjoining Parcel, 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 Parcel.

(b) Any Party Wall damaged or destroyed by some act or event other than one caused by the Owner of a Parcel 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 Parcels 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; provided that the cost of repairing or replacing any portion thereof which is part of a Home Exterior with respect to which the Association is responsible for furnishing

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maintenance, repairs or replacements hereunder shall be paid by the Association as a Common Expense to the extent not covered by insurance.

(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 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 Parcel.

13.04 CHANGE IN PARTY WALL: Any Owner of a Parcel who proposes to modify, rebuild, repair or make additions to any structure upon his Parcel 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 of the other adjacent Parcel and the Board, in addition to meeting any other requirements which may apply including, without limitation, those of the Municipality. 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 or the Original Declarant concerning the structural integrity of the Party Wall or either of the Homes 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 either of the adjacent Homes or improvements thereto.

13.05 ARBITRATION: In the event of a disagreement between Owners of Parcels 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 Board and the decision of the Board shall be final and binding.

## ARTICLE FOURTEEN Approval of Litigation

14.01 IN GENERAL: The Association shall not initiate or voluntarily participate in litigation, arbitration, claim to regulatory authorities, or any other binding legal proceeding with respect to any matter affecting or arising from the Premises ("Litigation") except upon compliance with the requirements of this Article.

(a) Before the Association incurs expenses or potential liabilities in connection with Litigation including, but not limited to, attorneys' fees, court filing fees, litigation-related expenses and exposure for costs and fees of an adverse party, the Association must hold a meeting of Owners and obtain the approval of Owners holding more than 75% of the total votes entitled to be cast by all Owners, excluding the vote of any Owner who would be a defendant in such proceedings.

(b) If the Litigation arises from an alleged "Defect" (as defined in Section 15.01 below) the Association shall provide all Owners with at least the following information about the proposed Litigation not later than the time the vote of Owners is taken:

(i) a reasonably detailed description of the alleged Defect;

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(ii) an accurate description of any attempts to correct the alleged Defect by the person alleged to be responsible for it, and the opportunities provided to that person to correct the alleged Defect;

(iii) a certification from an architect or engineer licensed in the State of Illinois that the alleged Defect exists, along with a description of the scope of work necessary to cure the alleged Defect and a resume of the architect or engineer;

(iv) a good faith estimate of the cost to cure the alleged Defect;

(v) the name and professional background of any attorney retained (or proposed to be retained) by the Association to pursue the claim arising from the alleged Defect, and a description of the relationship between the attorney and the Board and/or the Association's management company (if any);

(vi) a description of the fee arrangement between the attorney and the Association;

(vii) a good faith estimate of the attorneys' fees, expenses and costs, including, but not limited to, fees and costs associated with any experts to be retained in connection with the Litigation, necessary to pursue the claim;

(viii) a good faith estimate of the time necessary to conclude the action (including possible appeals);

(ix) a good faith estimate of the fees and costs the Association may be required to pay to the other party in the event that the Association's claim is unsuccessful; and

(x) an affirmative statement from the Board that the proposed action is in the best interests of the Association and the Owners and the basis for that conclusion.

(c) The fees and costs of any Litigation shall be paid by the Association only with monies that are collected for that purpose by Common Assessment. The Association shall not borrow money, use reserve funds, or use monies collected for other Association obligations to pay for the fees and costs of any Litigation.

(d) Each Owner shall notify prospective purchasers of any Litigation initiated by the Board.

(e) In the event that Litigation arising from an alleged Defect is successfully pursued, any recovery shall be applied (after payment of applicable attorneys' fees and other litigation-related costs and expenses) to curing the alleged Defect or repaying the Association expenses previously incurred in curing the alleged Defect. Any excess funds

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remaining after curing the alleged Defect shall be retained in to the Association's reserve funds.

## 14.02 EXEMPT PROCEEDINGS:

(a) The requirements set forth in Section 14.01(a) above shall not apply to any proceedings initiated by the Association to (i) collect unpaid Charges; or (ii) enforce a contract entered into by the Association with vendors providing services or materials to the Association.

(b) Litigation shall not be construed to mean litigation, arbitration, or other proceedings in which the Association is participating by reason of having been named a defendant, and the requirements set forth in Section 14.01(a) above shall not apply to such proceedings.

14.03 INCURRING EXPENSES: Nothing in this Section shall preclude the Board from incurring expenses for legal advice in the normal course of operating the Association to (a) enforce the Declaration and related documents; (b) comply with the statutes or regulations related to the operation of the Association; (c) amend the Declaration and related documents, in accordance with their terms; (d) grant easements or convey Common Area as provided in the Declaration; or (e) perform any of the obligations of the Association as provided in the Declaration.

## ARTICLE FIFTEEN RIGHT TO CURE ALLEGED DEFECT

15.01 IN GENERAL: If the Association, the Board or any Owner or other person ("Claimant") claims, contends, or alleges that a "Defect" exists in any improvements within the Premises including, but not limited to, the residential structures constructed on the Parcels, the person that constructed the improvement or is alleged to be responsible for the alleged Defect shall have the right to inspect, repair and/or replace the alleged Defect as set forth herein.

15.02 DEFECT DEFINED: As used in this Declaration, Defect shall mean failure to construct or install improvements in accordance with (a) approved plans and specifications; (b) applicable governmental requirements; (c) contractual obligations; (d) applicable covenants; (e) standards of good practice in the applicable industry, using acceptable materials or procedures; or (f) other applicable legal or contractual obligations.

15.03 NOTICE OF ALLEGED DEFECT: A Claimant shall give written notice of any alleged Defect ("Notice of Alleged Defect") to the person or persons believed by the Claimant to be responsible for the alleged Defect within 15 days after discovering the alleged Defect. The Notice of Alleged Defect shall include a reasonably detailed description of the alleged Defect and any action the Claimant believes to be necessary to cure the alleged Defect.

15.04 RIGHT TO ENTER, INSPECT, REPAIR AND/OR REPLACE: Within a reasonable time after the receipt of a Notice of Alleged Defect, the person who received the Notice of Alleged Defect shall have the right, upon reasonable notice to the Claimant and during

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normal business hours, to enter the affected portion of the Premises for the purposes of inspecting and/or conducting testing and, if the person so chooses in its sole discretion, repairing and/or replacing the alleged Defect. Any agreement made in writing for repair, replacement or other curative action shall be enforceable against both parties to the agreement without requiring either party to again go through the notice and other procedures provided for in this Article Fifteen or to go through the negotiation and mediation procedures set forth in Sections 16.02 and 16.03 below.

15.05 SCOPE OF WORK: INDEMNITY: In conducting such an inspection, testing, repair and/or replacement, the person receiving the Notice of Alleged Defect shall be entitled to take any actions it deems reasonable and necessary under the circumstances. Any person entering the property of a Claimant, or performing testing, repair and/or replacement pursuant to this Article Fifteen shall defend, indemnify and hold the Claimant harmless for, from and against all claims, demands, costs, losses, and liabilities of every kind and nature arising from exercise of the entry and curative rights provided for in this Section.

15.06 NO ADDITIONAL OBLIGATIONS: IRREVOCABILITY AND WAIVER OF RIGHT: Nothing set forth in this Article Fifteen shall be construed to impose any obligation on any person to inspect, test, repair, or replace any item or alleged Defect for which the person is not otherwise obligated under applicable law or other binding legal obligation. The right to enter, inspect, test, repair and/or replace an alleged Defect shall be irrevocable and may not be waived or otherwise terminated with regard to any person except by a written document executed by that person.

## ARTICLE SIXTEEN Alternative Dispute Resolution

16.01 IN GENERAL: Any dispute, controversy, disagreement or claim of any kind or nature arising in any way from the Premises, including, but not limited to, the physical condition, use, appearance, or operation of the Premises, or any portion of it, or agreements or other legally binding instruments or obligations pertaining to the Premises or any portion of it (each, a "Dispute") shall be processed progressively by negotiation, mediation and arbitration in accordance with this Article Sixteen, unless specifically exempted, if the Dispute is between or among (i) the Declarant or any builder (or the officers, directors, employees, brokers, agents, consultants, contractors, or subcontractors of either of them) and any Owner or the Association; or (ii) the Association and any Owner. This Section applies to any such Dispute regardless of whether it involves theories based upon contract, tort, statute or other legal theory. No person bound by this Article Sixteen may commence legal proceedings of any kind including, but not limited to judicial and regulatory complaints, in lieu of complying with the procedures and requirements set forth herein. The procedures shall not apply to Disputes relating to the payment of any type of Charge or to claims by any of the foregoing persons against third parties not listed above (unless the third party has agreed to comply with the procedures set forth in this Article Sixteen).

16.02 NEGOTIATION: Any person wishing to pursue resolution of, or a remedy for, a Dispute (the "Complainant"), must give written notice of the Dispute to the person or persons believed to be responsible for the circumstances causing the Dispute, or believed to be



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responsible for remedying those circumstances (in either case, the “Respondent”). The notice must set forth in reasonable detail the circumstances alleged to give rise to the Dispute and the remedy or other action sought by the Complainant. The Complainant must thereafter follow the procedures set forth in this Section.

(a) Opportunity to Meet. Following delivery of such a notice, the Respondent shall be afforded a reasonable opportunity to meet with or otherwise communicate with the Complainant for a discussion of the circumstances giving rise to the Dispute and possible resolution of the Dispute and an examination of any physical conditions or written instruments giving rise to the Dispute.

(b) Deadline for Resolution. If the Dispute is not resolved to the satisfaction of the Complainant and the Respondent by negotiation within 30 days following delivery of the original notice by the Complainant and the Complainant wishes to pursue the Dispute further, the Complainant shall give notice to the Respondent that mediation pursuant to Section 16.03 below is required.

(c) Defect Disputes. If the Dispute is not resolved to the satisfaction of the Complainant and the Respondent by negotiation within 30 days following the delivery of the original notice by the Complainant and the Complainant wishes to pursue the Dispute further, the Complainant shall give notice to the Respondent that mediation pursuant to Section 16.03 below is required.

(d) Enforcement of Agreements. Any written agreement by the Respondent and the Complainant entered into for the purposes of resolving the Dispute shall be enforceable against either party in accordance with the provisions of Section 16.05 below.

16.03 MEDIATION: The Complainant shall initiate mediation by submitting the Dispute to mediation by the American Arbitration Association (or any successor thereto or any other independent entity providing similar services mutually accepted by the parties) pursuant to the commercial mediation procedures then in effect, as modified by this Section (unless the parties otherwise agree).

(a) Expenses of Mediation. If a dispute is not resolved pursuant to Section 16.02, the expenses of witnesses for either side shall be paid by the party producing the witnesses. All other expenses of the mediation, including, but not limited to, the fees and costs charged by the mediator and the expenses of any witnesses or the cost of any expert advice produced at the direct request of the mediator, shall be borne equally by the parties to the Dispute unless the parties to the Dispute otherwise agree. Each party to the Dispute shall bear its own attorneys’ fees and costs in connection with the mediation.

(b) Enforcement of Agreements. Any written agreement by the Respondent and the Complainant entered into through mediation for the purposes of resolving the Dispute shall be enforceable against either party in accordance with Section 16.05 below.

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(c) Termination of Mediation. If after all parties to the Dispute have participated in mediation in good faith, the mediator, in his or her sole discretion, determines that the parties will not be able to resolve the Dispute through mediation, the mediator shall so state, in writing, and shall provide a copy of the statement to that effect to each of the parties and, if applicable, to their attorneys at their current or last known business address.

16.04 FINAL AND BINDING ARBITRATION: If the parties cannot resolve their Dispute pursuant to the procedures described in Section 16.02 and Section 16.03 above, the Complainant shall have 30 days following termination of mediation proceedings (as determined by the mediator in writing) to submit the Dispute to final and binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, as modified or as otherwise provided in this Section. If the Complainant does not submit the Dispute to arbitration within 30 days after termination of mediation proceedings, the Complainant shall be deemed to have waived any claims related to the Dispute, and all other parties to the Dispute shall be released and discharged from any and all liability to the Complainant on account of the Dispute; provided, nothing herein shall release or discharge any party from any liability to persons who are not a party to the proceedings. An arbitration pursuant to this Section shall not be combined with any other arbitration without the consent of all parties to this arbitration.

(a) Necessary Parties. The parties to the Dispute shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the arbitration proceeding. No person shall be required to participate in the arbitration proceeding if (i) all parties against whom the person would have necessary or permissive cross-claims or counterclaims (a "Necessary Party") are not or cannot be joined in the arbitration proceedings, or (ii) the enforcement of this Section would materially impair insurance coverage for the person that would have otherwise provided the person protection with respect to the Dispute.

(b) Opt Out. If any party to arbitration determines in good faith that it cannot join a Necessary Party in the arbitration or that its insurance coverage applicable to the Dispute would be materially impaired, the party may elect not to participate in the arbitration and allow any claims against it to be determined by other legal proceedings. If a party makes such an election, it must give written notice of its election to all other parties in the arbitration. Within 10 days following receipt of such a notice, any other party to the arbitration that would (or reasonably might) be adversely affected by the absence of the party that elected not to participate may likewise elect not to participate in the arbitration by giving written notice to all other remaining parties. If any party wishes to contest whether a party electing not to participate in the arbitration is entitled to make that election, it shall commence a legal action seeking a judicial determination of the validity of the election and arbitration proceedings will be stayed until that issue is finally determined judicially. Any such judicial proceeding to determine the validity of an election not to participate in arbitration shall deal only with that issue and shall not be used for a determination of the issues being decided in the arbitration.

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(c) Place. The arbitration proceedings shall be held in Cook County, Illinois unless otherwise agreed by the parties and the arbitrator.

(d) Arbitrator. A single arbitrator shall be selected. The arbitrator shall not have served as mediator in the Dispute. The parties to the Dispute shall select the arbitrator within 30 days after the Dispute is submitted to final and binding arbitration pursuant to Section 12.04 above. If the arbitrator resigns or becomes unwilling or unable to continue to serve in the subject Dispute, a replacement shall be selected in accordance with this subsection (d).

(e) Motions. The arbitrator shall have the power to hear and dispose of motions, including motions to dismiss, motions for judgment on the pleadings, and summary judgment motions, in the same manner as a trial court judge, except the arbitrator shall also have the power to adjudicate summary issues of fact or law including the availability of remedies, whether or not the issue adjudicated could dispose of an entire cause of action or defense.

(f) Final Award. THE DECISION AND AWARD WILL BE MADE BY THE ARBITRATOR WITHOUT A COURT TRIAL AND WITHOUT A JURY. EACH PARTY TO THE ARBITRATION WAIVES THE RIGHT TO HAVE THE DISPUTE RESOLVED BY A JURY OR BY A COURT AND AGREES TO ACCEPT THE AWARD OF THE ARBITRATOR AS FINAL. The arbitrator shall decide all issues in the Dispute by strictly applying Illinois law, and this Section. Subject to the limitations imposed in this Section, the arbitrator shall have the authority to try all issues, whether of fact or law. The arbitrator shall render a final decision in writing no later than 60 days following the conclusion of the arbitration proceedings, or such longer period as the parties to the Dispute mutually agree in writing. The arbitrator's award may be enforced as provided for in the Uniform Arbitration Act, 710 I.L.C.S. 5/1, et seq.

(g) Limitation on Remedies/Prohibition on the Award of Punitive and Consequential Damages. Notwithstanding any contrary provisions of the Construction Industry Arbitration Rules or any other provision of this Section, the arbitrator in any proceeding shall not have the power to award punitive or consequential damages; however, the arbitrator shall have the power to grant all other legal and equitable remedies, including, but not limited to, the power to award compensatory damages.

(h) Expenses of Arbitration. Each party to the Dispute shall bear all of its own costs incurred prior to and during the arbitration proceedings, including the fees and costs of its attorneys or other representatives, discovery costs, and expenses of witnesses produced by the party. Each party to the Dispute shall share equally all charges of the arbitrator unless otherwise agreed to by the parties.

**16.05 ENFORCEMENT OF RESOLUTION:** If the parties to a Dispute resolve the Dispute through negotiation or mediation in accordance with Sections 16.02 or 16.03 above, and any party thereafter fails to abide by the terms of the agreed resolution, or if an arbitration award is made in accordance with Section 16.04 above and any party to the Dispute thereafter fails to comply with award, then the other party to the Dispute may file suit to enforce the agreement or

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to confirm and enforce the award without the need to again comply with the procedures set forth in this Article Sixteen. In that event, the party taking action to enforce the terms of the agreement or the award shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties pro rata), all expenses reasonably incurred to enforce the agreed or awarded terms including, but not limited to, attorneys' fees, witness fees, costs and all litigation-related expenses.

## ARTICLE SEVENTEEN

### Miscellaneous

17.01 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 if (i) mailed, postage prepared, to his or its last known address as it appears on the records of the Association at the time of such mailing, (ii) transmitted by facsimile or e-mail to his or its facsimile number or e-mail address as either appears on the records of the Association at the time of such transmittal, or (iii) when personally delivered to his or its Home. The date of mailing, or the date of transmission if the notice is sent by facsimile or e-mail, shall be deemed the date of service.

17.02 CAPTIONS: The Article and Section headings are intended for convenience only and shall not be construed with any substantive effect in this Declaration. In the event of any conflict between 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.

17.03 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.

17.04 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 this Declaration is Recorded.

17.05 TITLE HOLDING LAND TRUST: In the event title to any Parcel is held by a title holding trust, under the terms of which all powers of management, operation and control of the Parcel 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 Parcel. 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 Parcel and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Parcel.

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

Dated: June 18, 2012

**DECLARANT:**

PULTE HOME CORPORATION, a Michigan corporation

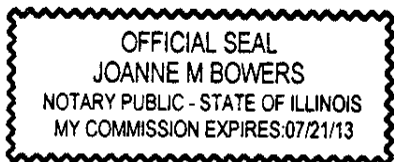
By: [Signature]  
Its [Signature]

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF Kane )

I, JoAnne M Bowers, a Notary Public in and for said County and State, do hereby certify that Peter Trenelis, as VP of Land of Pulte Home Corporation, a Michigan corporation (the "Corporation"), appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument as his/her free and voluntary act, and as the free and voluntary act of the Corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 18th day of June, 2012.

[Signature]  
Notary Public



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## EXHIBIT A TO DECLARATION FOR REGENCY AT THE GLEN TOWNHOMES

### The Development Area

All Lots and Outlots in the Regency at the Glen Subdivision, created pursuant to Final Plat of Subdivision Regency at the Glen, being part of the Northeast Quarter of Section 28, Township 42 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois, pursuant to the plat thereof recorded in Cook County, Illinois on May 17, 2012, as Document No. 1213829040.

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## EXHIBIT B TO DECLARATION FOR REGENCY AT THE GLEN TOWNHOMES

### The Premises

- I. Parcels: The following described lots shall be divided into Parcels as described in Section 1.20 of the Declaration to which this Exhibit is attached:

Lots 22 through 41, both inclusive, created pursuant to Final Plat of Subdivision Regency at the Glen, being part of the Northeast Quarter of Section 28, Township 42 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois, pursuant to the plat thereof recorded in Cook County, Illinois on May 17, 2012, as Document No. 1213829040 ("Regency at the Glen Subdivision").

- II. Common Area:

- A. All portions of each Parcel listed in Section I. above outside of the Home on the Parcel.
- B. Outlots C and D in Regency at the Glen Subdivision.

PIN: 04-28-200-081-0000 (part of)

ADDRESSES: 3061, 3065, 3069, 3073, 3077, 3101, 3103, 3105, 3107, 3109, 3111, 3115, 3117, 3119, 3121, 3123, 3127, 3129, 3131, 3133, 3135, 3139, 3141, 3143, 3145, 3147, 3149, 3153, 3155, 3157, 3159, 3161, 3171, 3173, 3175, 3179, 3181, 3183, 3185, 3187, 3191, 3193, 3195, 3197, 3199, 3201, 3205, 3207, 3209, 3211, 3213, 3215, 3219, 3221, 3223, 3225, 3229, 3231, 3233, 3235, 3239, 3241, 3243, 3245, 3247, 3249, 3253, 3255, 3257, 3259, 3261, 3263, 3267, 3269, 3271, 3273, 3275, 3279, 3281, 3283, 3285, 3287, 3289, 3291, 3293, 3295, 3297, 3299, 3301 Coral Lane; 2056, 2062, 2068, 2074, 2080, 2086, 2098, 2104, 2110, 2116, 2122 and 2128 Saipan Drive; 2096, 2102, 2108, 2114 and 2120 Dauntless Drive, all in Glenview, Illinois.

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## EXHIBIT C TO DECLARATION FOR REGENCY AT THE GLEN TOWNHOMES

### Private Pavement and Private Sidewalks

*[See attached – Note that the original of the this Exhibit is in color and on file with the Association]*

Property of Cook County Clerk's Office

A large, irregular black redaction mark consisting of multiple thick, overlapping horizontal strokes, completely obscuring the content of the exhibit. The redaction is centered on the page and overlaps the diagonal watermark text.



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NO.	DATE	REMARKS

DATE	REVISION	BY	REVISION

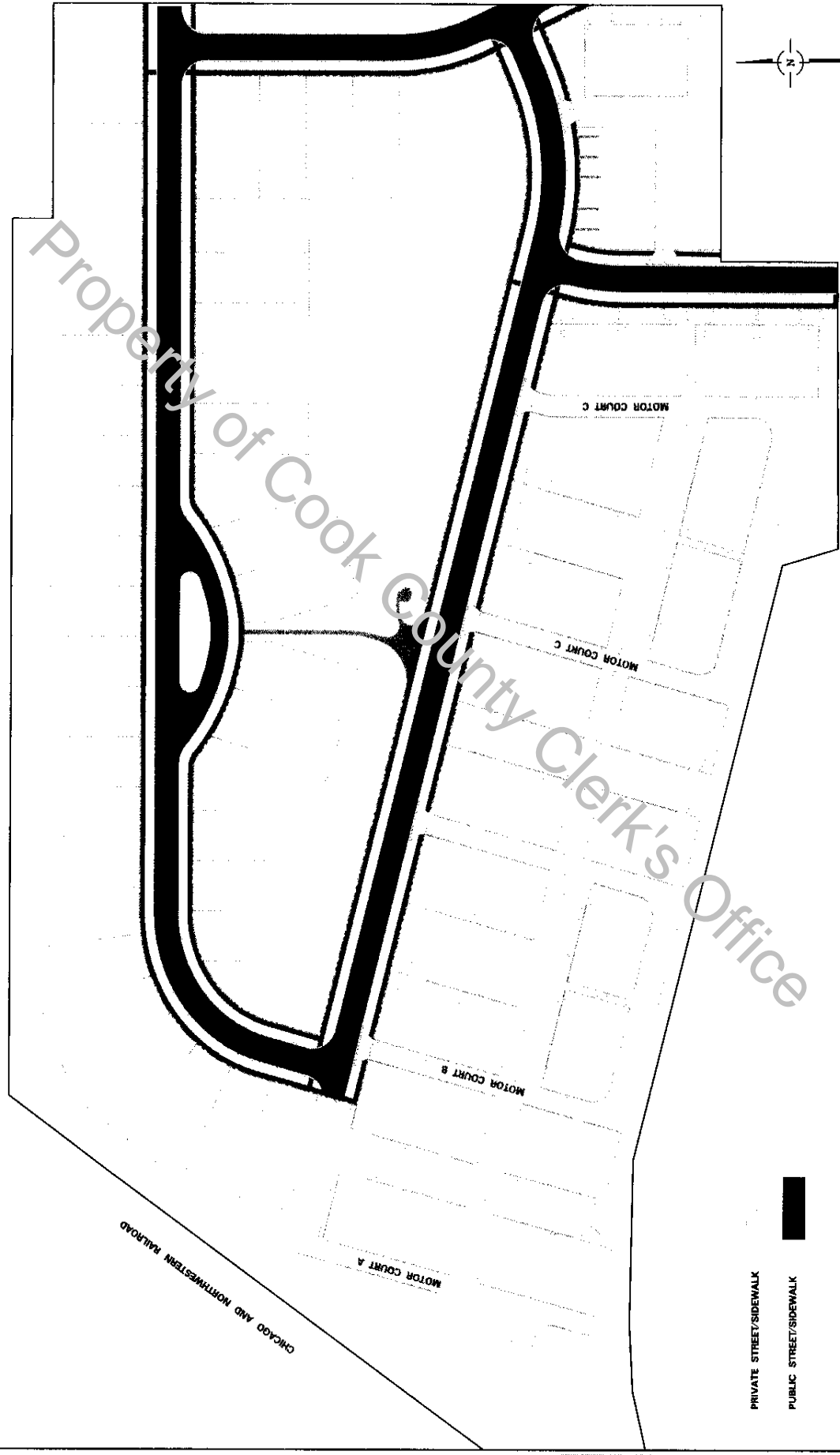
REGISTRY AT THE GEN  
 EXHIBIT - PUBLIC AND PRIVATE STREET/SIDEWALK

DATE: 12/2/21  
 JOB NO. 6260  
 SHEET 2 OF 2



EXB-2  
 2 OF 2

EXHIBIT - PUBLIC AND PRIVATE STREET/SIDEWALK



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## EXHIBIT D TO DECLARATION FOR REGENCY AT THE GLEN TOWNHOMES

### Private Storm Sewer

*[See attached – Note that the original of the this Exhibit is in color and on file with the Association]*

Property of Cook County Clerk's Office



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NO.	DATE	REMARKS

EXHIBIT - PUBLIC AND PRIVATE STORM SEWERS



DATE	NO.	DESCRIPTION

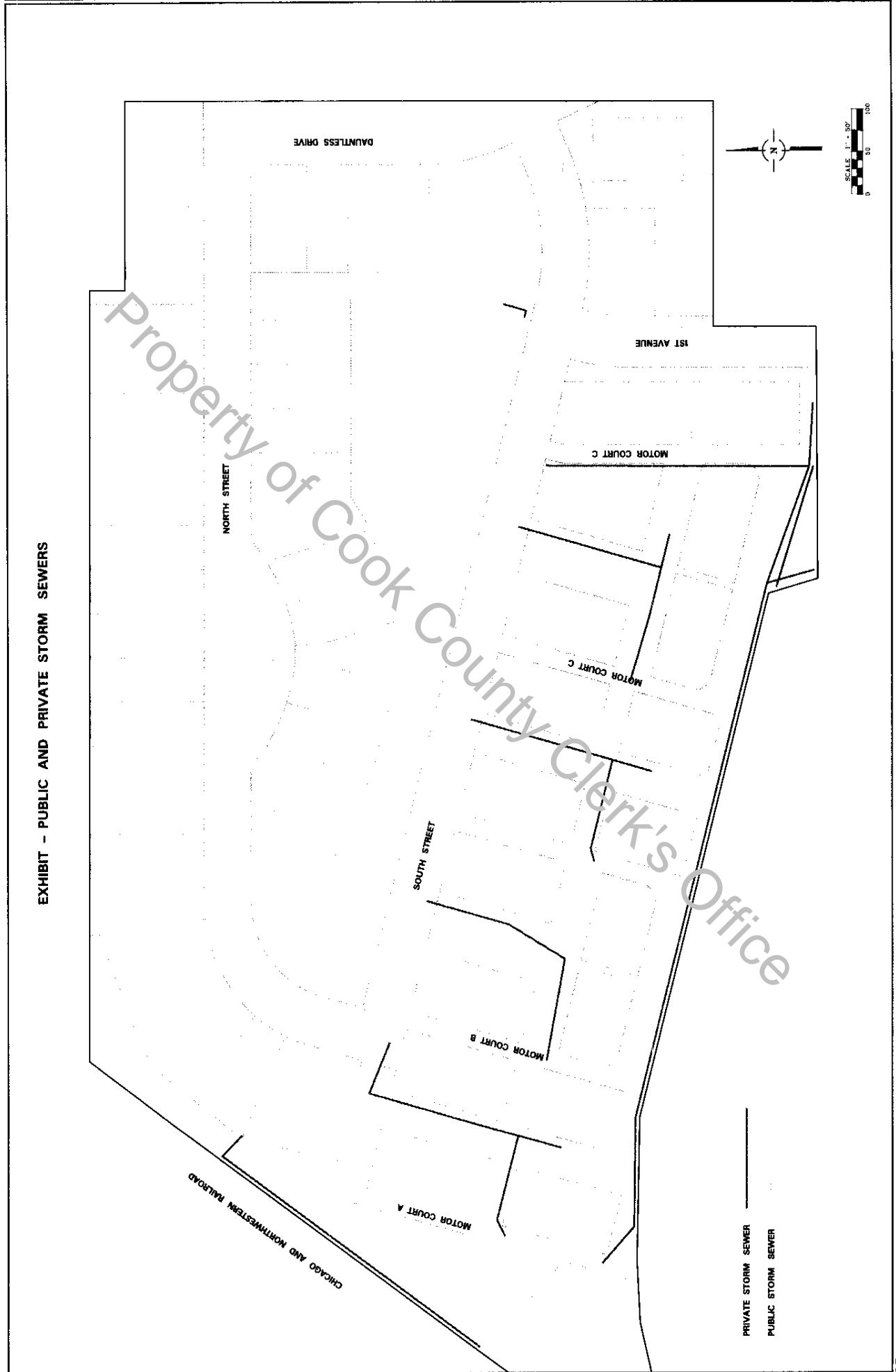


EXHIBIT - PUBLIC AND PRIVATE STORM SEWERS

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## EXHIBIT E TO DECLARATION FOR REGENCY AT THE GLEN TOWNHOMES

### By- Laws

### THE BY-LAWS OF THE REGENCY AT THE GLEN TOWNHOME OWNERS ASSOCIATION AN ILLINOIS NOT-FOR-PROFIT CORPORATION

#### ARTICLE I NAME OF CORPORATION

The name of this corporation is the Regency at The Glen Townhome Owners Association.

#### ARTICLE II PURPOSE AND POWERS

2.01 PURPOSES: The purposes of this Association are to act on behalf of its members collectively, as their governing body, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare and the common use and enjoyment thereof by members of the Association, all on a not-for-profit basis. These By-Laws are subject to the provisions of the Declaration for Regency at The Glen Townhomes ("Declaration") recorded with the Office of the Recorder of Deeds for Cook County, Illinois. All terms used herein shall have the meanings set forth in the Declaration.

2.02 POWERS: The Association shall have and exercise all powers as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois, the Common Interest Community Association Act of the State of Illinois (the "Act"), the Declaration and these By-Laws. In the event of an inconsistency between the provisions contained in these By-Laws and the provisions contained in the Act, the provisions contained in the Act shall prevail.

#### ARTICLE III OFFICES

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

3.02 PRINCIPAL OFFICE: The Association's principal office shall be maintained on the Development Area or at the office of its managing agent.

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## ARTICLE IV MEETINGS OF MEMBERS

4.01 VOTING RIGHTS: There shall be one individual with respect to each Parcel who shall be entitled to vote at any meeting of the Owners (the "Voting Member"). If the Owner of a Parcel is one individual then such individual shall be the Voting Member. If the Record ownership of a Parcel shall be in more than one individual or if the Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member shall be designated by the Owner or Owners in writing to the Board, and if in the case of multiple individual Owners no designation is given, then the Board may, at its election, recognize an individual Owner of the Parcel as the Voting Member for such Parcel. Any or all members may be present at any meeting of the members, but the voting rights shall be vested exclusively in the Voting Members; provided, that, prior to the Turnover Date, except as specifically provided for in the Declaration or these By-Laws, the voting rights shall be vested exclusively in the Declarant and the Voting Members shall have no voting rights. From and after the Turnover Date, each Voting Member, including those designated by Declarant with respect to Parcels owned by Declarant shall be entitled to one vote for each Parcel which the Voting Member represents. The Voting Members may vote in person or by proxy. All proxies shall be in writing, revocable, valid only for eleven (11) months from the date of execution and filed with the Secretary.

4.02 PLACE OF MEETING; QUORUM: Meetings of the members shall be held at the principal office of this Association or at such other place in Cook County, Illinois as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order as from time to time published. Ten percent (10%) of the Voting Members shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Owners at which a quorum is present upon the affirmative vote of a majority of the members present at such meeting.

4.03 ANNUAL MEETINGS: The initial meeting of the members shall be held upon not less than twenty-one (21) days' written notice given by the Declarant pursuant to the Act. If not called earlier by the Declarant, the initial meeting of the Owners shall be held no later than thirty (30) days after the Turnover Date. Thereafter, there shall be an annual meeting of the Owners on the anniversary thereof, or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the Owners not less than ten (10) days prior to the date fixed for said meeting.

4.04 SPECIAL MEETINGS: Special meetings of the members may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Owners or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by the President, the Board or by twenty percent (20%) of the Voting Members, and delivered not less than ten (10) days prior to the date fixed for said meeting. The notices shall specify the date, time, and place of the meeting and the matters to be considered.

4.05 NOTICE OF MEETINGS: Notice of any membership meeting shall be given detailing the time, place, and purpose of such meeting no less than ten (10) and no more than

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thirty (30) days prior to the meeting. Notices shall be delivered either personally or by mail to the members, addressed to such member at the address given by him to the Board for the purpose of service of such notice or to the Parcel of the Owner, if no address has been given to the Board.

## ARTICLE V BOARD OF DIRECTORS

5.01 IN GENERAL: The affairs of the Association shall be vested in the board of directors (the "Board"), which shall consist of five (5) persons ("Directors") or such other number of persons as shall be fixed from time to time by the affirmative vote of 50% of the Voting Members. Each Director shall be an Owner or a Voting Member.

5.02 DECLARANT DESIGNATED BOARDS: Anything herein to the contrary notwithstanding, until the first meeting of the members after the Turnover Date the Board shall consist of three (3) persons from time to time designated by the Declarant, who shall serve at the discretion of the Declarant. During such period the Owners may elect from among themselves that number of non-voting counselors to the Board as the Declarant may, in its sole discretion, permit.

5.03 BOARDS AFTER TURNOVER DATE: At the first meeting of the Owners (which shall be held no later than the Turnover Date) the Voting Members shall elect a full Board of Directors (as provided for in the Act) in the manner hereinafter provided to replace the Declarant designated Board established under Section 5.02. From and after such meeting, each member of the Board shall be an Owner or a Voting Member, or both. Within sixty (60) days after the election of a majority of the Board other than those designated by the Declarant, the Declarant shall deliver to the Board the following documents and others as required by the Act:

- (a) Original copies of the Declaration, these By-Laws, the Association's Articles of Incorporation and the Association's minute book.
- (b) An accounting of all receipts and expenditures made or received on behalf of the Association by the Declarant designated Boards.
- (c) All Association funds and bank accounts.
- (d) A schedule of all personal property, equipment and fixtures belonging to the Association including documents transferring the property to the Association.

5.04 ELECTION: At the initial meeting of the Owners a full Board of Directors shall be elected or appointed as provided herein. The three (3) candidates receiving the greatest number of votes shall each serve a two year term and the two (2) candidates receiving the next greatest number of votes shall each serve a one year term. Thereafter, each Director shall serve a two year term. Each Director shall hold office until his term expires or until his successor shall have been elected and qualified. Directors may succeed themselves in office. In all elections for members of the Board, the Voting Member for each Parcel shall be entitled to the number of votes equal to the number of Directors to be elected (cumulative voting shall not be permitted).

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5.05 ANNUAL MEETINGS: The Board shall hold an annual meeting within ten (10) days after the annual meeting of the members.

5.06 REGULAR MEETINGS: Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting or, from time to time, by a majority of the Directors, provided that not less than four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, at least two (2) days prior to the day named for any such meeting and such notice shall state the time and place of such regular meeting.

5.07 SPECIAL MEETINGS: Special meeting of the Board may be called by the President or at least twenty-five percent (25%) of the Directors then serving.

5.08 OPEN MEETINGS: Each meeting of the Board, to the extent required by law, shall be open to any Owner and, if required under the Act, notice of such meeting shall be mailed or personally delivered and posted conspicuously upon the Premises at least 48 hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. The Board may adopt reasonable rules governing the conduct of Owners who attend meetings and Owners who do not comply with such rules may be removed from the meeting.

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

5.10 WAIVER OF NOTICE: Before or at any meeting of the Board any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 QUORUM: A majority of the Directors serving from time to time shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board, provided, that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

5.12 COMPENSATION/REIMBURSEMENT FOR EXPENSES: Directors shall receive no compensation, except as expressly provided in a resolution duly adopted by 75% of the Voting Members. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as a Director.

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5.13 REMOVAL OR RESIGNATION OF DIRECTOR: Any Director may be removed from office, with or without cause, by the affirmative vote of at least two-thirds (2/3) of the Directors then serving at any annual meeting or at a special meeting called for such purpose. Any Director may resign at any time by submitting his written resignation to the Board. If a Director ceases to be an Owner or Voting Member, he shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired term of a Director may be appointed by the affirmative vote of two-thirds (2/3) of the remaining Directors until the next annual meeting of the members, or by a meeting requested by twenty percent (20%) of the Voting Members.

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

- (a) To engage the services of a manager or managing agent upon such terms and with such authority as the Board may approve;
- (b) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper;
- (c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Area for which the Association is responsible under the Declaration and these By-Laws;
- (d) To procure insurance as provided for under the Declaration;
- (e) To estimate and provide each Owner with an annual budget showing the Common Expenses;
- (f) To set, give notice of, and collect Assessments from the Owners as provided in the Declaration;
- (g) To pay the Common Expenses;
- (h) Subject to the provisions of the Declaration, to own, convey, encumber or otherwise deal with any real property conveyed to or purchased by the Association;
- (i) To adopt and, from time to time, to amend such reasonable rules and regulations as the Board may deem advisable for the use, enjoyment, administration, Management, maintenance, conservation and beautification of the Common Area, and for the health, comfort, safety and general welfare of the Owners. Written notice of any such rules and regulations or amendments thereto shall be given to all Owners affected thereby;



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(j) To delegate the exercise of its power to committees appointed pursuant to Article Seven of these By-Laws; and

(k) To borrow money and pledge the assets of the Association, including the right to receive future assessments, as collateral for repayment thereof.

## ARTICLE VI OFFICERS

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

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

6.03 POWERS OF OFFICERS: The respective officers of the Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of an Illinois not for profit corporation, including but not limited to, the following:

(a) The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the members and at all meetings of the Board and shall execute amendments to the Declaration and these By-Laws as provided in the Declaration and these By-Laws.

(b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;

(c) The Secretary shall keep minutes of all meetings of the Owners and of the Board and shall have custody of the Association Seal and have charge of such other books, papers and documents as the Board may prescribe;

(d) The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association books of accounts kept for such purpose.

6.04 OFFICERS' COMPENSATION: The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Voting Members.

## ARTICLE VII COMMITTEES DESIGNATED BY BOARD

7.01 BOARD COMMITTEES: The Board, by resolution adopted by a majority of the

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Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.

7.02 SPECIAL AND STANDING COMMITTEES: Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Owners or representative of Owners and the President of the Association shall appoint the members of such committee and shall designate a Director to act as a liaison between such committee and the Board. Any member of such committee may be removed by the President of the Association whenever in his judgment the best interests of the Association shall be served by such removal. The powers and the duties of any such standing committee shall be as set from time to time by resolution of the Board. The chairman of each standing committee shall be a Director (who shall act as the liaison between the committee and the Board), and the other members of the committee (which need not be Directors) shall be appointed and removed from time to time by such chairman.

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

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

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

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

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

## ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS AND FUNDS

8.01 CONTRACTS: The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or

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a Vice President and attested to by the Secretary or an Assistant Secretary of the Association.

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

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

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

## ARTICLE IX FISCAL MANAGEMENT

9.01 FISCAL YEAR: The fiscal year of the Association shall be established by the Association and may be changed from time to time by a resolution adopted by two-thirds (2/3) of the Board.

9.02 ANNUAL STATEMENT: Within a reasonable time after the close of each fiscal year the Board shall furnish each Owner with an itemized accounting of the Common Expenses for such fiscal year actually incurred or paid, together with an indication of which portion of the Common Expenses were incurred or paid for capital expenditures or repairs or the payment of real estate taxes, and with a tabulation of the amounts collected pursuant to the Annual Assessment budget, and showing the net excess or deficit of income over expenditures plus reserves.

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

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

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

9.04 ASSESSMENT PROCEDURE: Common Assessments and special assessments shall be made and collected as provided in the Declaration.

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## ARTICLE X BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the members. All books and records of the Association may be inspected by any Owner, or his mortgagee, agent or attorney, for any proper purpose at any reasonable time.

## ARTICLE XI SEAL

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

## ARTICLE XII AMENDMENTS

These By-Laws may be amended or modified at any time, or from time to time in the same manner as provided in Section 10.02 of the Declaration; provided, that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration or the Act. These By-Laws may also be amended by the Declarant for the purposes and by the procedure set forth in Section 10.01 of the Declaration. No amendment to these By-Laws shall become effective until Recorded.