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05/23/2006

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05/22/06

DECLARATION FOR THE MIDLANE CLUB COURTYARD HOMES

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## DECLARATION FOR THE MIDLANE CLUB COURTYARD HOMES

This Declaration is made by Concord Homes, Inc., a Delaware 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 The Midlane Club Courtyard Homes (the "Development"). The Development shall include dwelling units and certain common areas.

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. Thus, as Supplemental Declarations are Recorded, the Premises will expand to include more and more portions of the Development Area. As portions of the Development Area are added to the Premises and made subject to this Declaration, such portions shall also be made subject to that certain Declaration for The Midlane Club which shall be administered by the Community Association (as defined in Section 14.01). Each Owner of a Lot hereunder shall be a member of both the Association and the Community Association and shall be responsible for the payment of assessments to each Association. It is not intended that the Community Association shall be a "master association" as defined in Section 605/18.5 of the Act or a "common interest community association" as defined in Section 9-102(a)(8) of the Code of Civil Procedure (735 ILCS 5/9-102(a)(8)). Nothing in this Declaration shall be construed to require the Declarant to subject additional portions of the Development Area to the provisions of this Declaration. Those portions of the Development Area which are not made subject to the provisions of this Declaration as Premises may be used for any purposes not prohibited by law.

Portions of the Premises shall be designated as 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. The Association shall have the responsibility for administering and maintaining the Common Area, maintaining certain portions of the Lots, including snow removal from driveways and walkways on each Lot and grass cutting on each Lot, and setting budgets and fixing assessments to pay the expenses incurred in connection with such duties. It is not intended that the Association shall "common interest community association" as defined in Section 9-102(a)(8) of the Code of Civil Procedure (735 ILCS 5/9-102(a)(8)).

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

The provisions contained in this Declaration are subject to the terms of the Community Declaration and the rights of the Golf Club Owner, all as more fully provided in the Community Declaration.

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:

1.01 ASSOCIATION: The Midlane Club Courtyard Homes Homeowners Association, an Illinois not-for-profit corporation, its successors and assigns.

1.02 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.

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

1.04 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.

1.05 COMMON AREA: Those portions of the Premises which are designated on Exhibit B as Common Area, together with all improvements thereto located above and below the ground.

1.06 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.

1.07 COMMON EXPENSES: The expenses of the administration (including management and professional services) of the Association; the expenses of the operation, maintenance, repair and replacement of the Common Area; the expense of maintenance repair and replacement of the Lots as required pursuant to Article Three; the cost of general and special real estate taxes, if any, levied or assessed against the Common Area owned by the Association; premiums for insurance policies maintained by the Association hereunder; 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 Homes; any other expenses which are designated as Common Expenses hereunder; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners.

1.08 COUNTY: Lake 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.

1.09 DECLARANT: Concord Homes, Inc., a Delaware corporation, its successors and assigns.

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

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

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

1.13 GOLF CLUB OWNER: Shall mean and refer to the owner of the property and improvements thereon, on which the Golf Club is located, and its successors and assigns.

1.14 GOLF CLUB PROPERTY: That portion of the Golf Club which is depicted on Exhibit C attached hereto.

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

1.16 LOT: A subdivided lot which is designated in Exhibit B as a "Lot" and upon which is constructed a Home.

1.17 MUNICIPALITY: The City of Waukegan, Illinois or its successors, 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.

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

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

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

1.21 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.

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

1.23 RESIDENT: An individual who resides in a Home and who is either the Owner, a tenant of the Owner, a contract purchaser of the Lot, or a relative of any such Owner, tenant or contract purchaser.

1.24 RESTRICTED LOT: A Lot hereunder which is designated as a Restricted Lot under the Community Declaration (defined in Section 14.01).

1.25 THE MIDLANE CLUB SUBDIVISION: That subdivision which was created by the Plat of Subdivision for The Midlane Club was Recorded in Lake County, Illinois on February 22, 2005, as Document No. 5737715.

1.26 TURNOVER DATE: The date on which the rights of the Declarant to designate the members of the Board are terminated under Section 9.05.

1.27 UNADDED AREA: Those portions of the Development Area which from time to time have not been made subject to this Declaration as part of the Premises.

1.28 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. 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 by a Recorded instrument executed by the Owner of not less than three-fourths (3/4) of the Lots then subject to the Declaration.

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

2.05 ACCESS EASEMENT: Each Owner of a Lot shall have a non-exclusive perpetual easement for ingress to and egress from his Lot to public streets and roads over and across the roads, driveways and walkways located on the Common Areas, which easement shall run with the land, be appurtenant to and pass with title to every Lot. The Municipality or any other governmental authority which has jurisdiction over the Premises shall have a non-exclusive easement of access over roads and driveways located on the Common Area 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 to portions of the Premises provided for herein. The Owner from time to time of Unadded Area shall have a non-exclusive perpetual easement of access over roads and driveways from time to time located on the Common Area.

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 Lot. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Lot, 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 Home 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 and the Owner's Lot to Residents of the Owner's Home. An Owner shall delegate such rights to tenants and contract purchasers of the Owner's Lot who are Residents.

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

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

2.10 EASEMENTS, LEASES, LICENSES AND CONCESSIONS: The 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, but only with the Municipality's approval. Each person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Home, 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 Lot for the purpose of furnishing the services required to be furnished hereunder or enforcing its rights and powers hereunder.

2.12 NO DEDICATION TO PUBLIC USE: Except for easements granted or dedications made as permitted in Section 2.10, nothing contained in this 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 Lot, any improvement which is intended to service and/or be part of the Lot shall encroach upon any part of any other Lot or upon the Common Area or any improvement to the Common Area shall encroach upon any part of a Lot, then there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof; provided, however, that in no event shall an easement for any encroachment be created in favor of any Owner (other than Declarant), if such encroachment occurred due to the intentional, willful, or negligent conduct of such Owner or his agent. Without limiting the foregoing, the Owner of each Lot shall have an easement appurtenant to his Lot for the

continuance, maintenance, repair and replacement of the following improvements, if any, which encroach onto another Lot or the Common Area:

- (a) the eaves, gutters, downspouts, facia, flashings, and like appendages which serve the Home on the Lot;
- (b) the chimney which serves the Home on the Lot;
- (c) the air conditioning equipment which serves the Home on the Lot; or
- (d) balconies, steps, porches, door entries and patios which serve the Home on the Lot.

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

2.14 OWNERSHIP OF COMMON AREA: The Common Area shall be conveyed to the Association free of mortgages no later than the Turnover Date; provided, that, any Common Area which is made subject hereto after the Turnover Date shall be conveyed to the Association no later than ninety (90) days after such portion is made subject hereto.

2.15 REAL ESTATE TAXES FOR COMMON AREA: If a tax bill is issued with respect to Common Area 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 1st 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.

### ARTICLE THREE

#### Maintenance of the Common Area and Homes

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

3.02 MAINTENANCE BY ASSOCIATION: The following maintenance, repairs and replacements shall be furnished by the Association as a Common Expense:

- (a) grass cutting and added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Common Area;
- (b) maintenance, repair and replacement of all improvements located on the Common Area including, without limitation, monument signs and fencing, if any;

(c) Grass cutting of grass located on each Lot; provided, however, that, at the discretion of the Board, grass cutting landscape services may not be furnished with respect to (i) any portion of a Lot on which an Owner or Resident has made an alteration, addition or improvement, including if the Lot is fenced off, and (ii) any Privacy Area which has been altered from its original state as permitted under Section 3.08;

(d) maintenance, repair and replacement of landscaping installed on a Lot by Declarant and additional landscaping installed by the Owner on the Owner's Lot with Board approval where the Board does not require the Owner to maintain such landscaping;

(e) snow removal from the service drives, driveways and walkways located on each Lot;

(f) periodic seal coating of the driveway located on each Lot; and

(g) to the extent not maintained by the Municipality, maintenance, repair and replacement of the water and sewer service lines which are located in the public right of way.

There shall be no reduction in the Common Assessment payable by an Owner who is required to maintain all or a portion of his Lot.

### 3.03 MAINTENANCE BY OWNERS:

(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 Lot and the Home thereon. Without limiting the foregoing, each Owner shall be responsible for (i) the care and maintenance of shrubs, flowers, trees and other landscaping on the Owner's Lot (to the extent not maintained by the Association as provided under Section 3.02 above) and watering the grass and other landscaping on the Owner's Lot, and (ii) maintenance, repair and replacement of the driveway located on the Owner's Lot (to the extent not maintained by the Association as provided under Section 3.02 above).

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

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

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

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

3.04 CERTAIN UTILITY COSTS: Certain utility costs incurred in connection with the use, operation and maintenance of the Premises may not be separately metered and billed to the Association. If the cost for any such utility is metered and charged to a Lot 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, 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 the amount thereof shall be Common Expenses hereunder.

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

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

3.05 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 Lot, damage shall be caused to the Common Area and maintenance, repairs or replacements shall be required thereby, which would otherwise be a Common Expense, then the Owner of the Lot 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.

3.06 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE COMMON AREA:

(a) No alterations, additions or improvements shall be made to the Common Area without the prior written approval of the Board and compliance with applicable Municipality ordinances.

(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.

3.07 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO LOTS: No additions, alterations or improvements, including, without limitation, (i) fences, (ii) changes in the exterior color of a Home, (iii) construction of awnings, antenna or satellite dish, (iv) changes or additions to patio or deck, (v) installation of an in-ground swimming pool, outbuilding, play set, gazebo or shed, or (vi) other similar improvements, shall be made to any Lot or 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 owns or controls title to any portion of the Development Area, the Declarant, and compliance with applicable ordinances of the Municipality. Notwithstanding the foregoing, a Lot which is a Restricted Lot hereunder shall be subject to the restrictions imposed on Restricted Lots under the Community Declaration. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement to a Lot or Home upon the Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) if the addition, alteration or improvement is required to be maintained hereunder by the Association as part of the Common Expenses, to pay to the Association from time to time the additional cost of the maintenance as a result of the addition, alteration or improvements. If an addition, alteration or improvement which requires the consent of the Board and/or Declarant hereunder is made to a Lot by an Owner without the prior written consent of the Board or Declarant, or both, as applicable, then (i) the Board may, in its discretion, take either of the following actions; and (ii) until such time as the Declarant no longer owns or controls title to any portion of the Development Area, the Declarant may, in its discretion take either of the following actions:

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

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

3.08 PRIVACY AREAS: No alteration, addition or improvement shall be made to any portion of the landscaped area on a Lot outside of the Home without the prior written consent of

the Board. Notwithstanding the foregoing, however, certain portions of each Lot may be designated by the Declarant or the Association as a "Privacy Area". An Owner of a Lot shall have the right to improve the Privacy Area, if any, designated on the Owner's Lot with a garden, deck, patio or other improvements subject to reasonable rules and regulations from time to time adopted by the Board. If the Owner alters the Privacy Area from its original state, the Owner and the Owner's successors in title shall be responsible at the Owner's expense for the maintenance, repair and replacement (including landscape maintenance of the Privacy Area and any improvements thereto). If the Owner fails, in the sole judgment of the Board, to properly maintain the Privacy Area on his Lot, then the Association, in its discretion and at the Owner's expense, may (i) cause the Privacy Area to be properly maintained and the cost thereof shall be a Charge to the Owner or (ii) cause the Privacy Area to be restored to its original state in conformity with the surrounding landscaping, and charge the cost thereof to the Owner and thereafter, the Privacy Area shall be maintained by the Association as provided in Section 3.02 above.

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

#### ARTICLE FOUR Insurance/Condemnation

##### 4.01 ASSOCIATION INSURANCE:

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

(b) Fidelity bonds 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 funds of the Association may be obtained by the Association in such amounts as the Board may deem desirable.

(c) The premiums for any insurance obtained under this Section shall be Common Expenses.

#### 4.02 HOME INSURANCE:

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

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

(c) No Owner shall cause or permit anything to be done or kept on the Premises which will result in the cancellation of insurance on such Owner's Home, any other Home, or the Common Area.

#### 4.03 REBUILDING OF DAMAGED HOME:

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

(b) In the event that any Owner shall fail, within a reasonable time after the occurrence of damage or destruction referred to in Subsection (a), to perform the necessary repair or rebuilding, then, the Board may cause such repairs or rebuilding to be performed in the manner



as provided in Subsection (a) and the cost thereof shall be a Charge hereunder payable by the Owner to the Association upon demand.

4.04 OWNER RESPONSIBILITY: In addition to the coverage described in Section 4.02 above with respect to his Home, each Owner shall obtain his own personal liability insurance to the extent not covered by the liability insurance for all of the Owners obtained as part of the Common Expenses as above provided, and the Board shall have no obligation whatsoever to obtain any such individual insurance coverage on behalf of the Owners.

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

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

## 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 Illinois law. The Association shall be the governing body for all of the Owners for the administration and operation of the Common Area and to the maintenance repair and replacement of the Common Area and certain portions of the Lots as provided herein.

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

Association shall be given written notice of the change of ownership of a Lot 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 Lot. 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 Lot 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 Lot shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Lot as the Voting Member for such Lot.

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.

5.05 VOTING RIGHTS: Prior to the Turnover Date, all of the voting rights at each meeting of the Association shall be vested 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 Lot 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 be personally liable to the Owners or the Association 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, his 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 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 controlled by 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. 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 any such settlement shall be final and shall bind all of the Owners.

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; provided, that the Association shall not voluntarily dissolve without the written consent of the Municipality.

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

## ARTICLE SIX Assessments

6.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of members of the Association, to administer the affairs of the Association, to pay the Common Expenses, and to accumulate reserves for any such expenses. For purposes hereof, (a) a Lot owned by Declarant shall only be subject to assessment hereunder from and after such time as an occupancy certificate has been issued by the Municipality with respect to the Home constructed thereon, and (b) a model home owned or leased by Declarant shall not be subject to assessment hereunder.

6.02 ASSESSMENTS: Each year on or before December 1, the Board shall adopt and furnish each Owner with a budget for the ensuing capital 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;
- (c) The estimated net available cash receipts from the operation and use of the Common Area, plus estimated excess funds, if any, from the current year's assessments;
- (d) The amount of the "Common Assessment" payable by the Owners of Lots, 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 Lot 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 Lots, divided by twelve (12), so that each Owner shall pay equal Common Assessments for each Lot 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 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 then current plan for the Development ("Current Development Plan") and (ii) all proposed Homes have been sold and are occupied. The Current Development Plan shall be kept on file with the Association and may be modified from time to time by Declarant. Prior to the Turnover Date, each Owner (other than the Declarant) shall pay as the Owner's monthly share of the Common Assessment an amount equal to the budgeted Common Expenses divided by the number of proposed Homes on the then Current Development Plan, divided by twelve (12) so that each Owner (other than Declarant) will pay, with respect to each Lot owned, a monthly Common Assessment equal to what such Owner would be paying with respect to the Owner's Lot if the Development were fully constructed pursuant to the Current Development Plan and all proposed Homes have been built and are occupied. Declarant shall not be obligated to pay any Common Assessments to 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 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 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 Lot 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 Lot under Section 6.02(d).

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(d) by giving written notice thereof (together with a revised budget and explanation for the adjustment) to each Owner not less than ten (10) days prior to the effective date of the revised assessment.

6.05 SPECIAL ASSESSMENT: The Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than 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 Lots in equal shares. 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 and only those Owners of Lots against which the proposed special assessment shall be levied may vote 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 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 special reserve accounts to be used solely for making capital expenditures in connection with the Common Area (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 and other property owned by the Association and periodic projections of the cost of anticipated major repairs or replacements to the Common Area, 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 Areas 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 Boards appointed by the Declarant prior to the Turnover Date shall include reserve buildups which the Board deems to be appropriate based on information available to the Board. Boards elected by the Owners after the Turnover Date may use different approaches from those used by Boards appointed by the Declarant for the buildup of reserves or may choose not to provide for the

buildup of reserves for certain capital expenditures or deferred maintenance for repairs or replacements of the Common Areas. If the Board chooses not to provide for the buildup of reserves for a particular anticipated expenditure or if the buildup of reserves that the Board does provide for in its budgets does not result in sufficient funds to pay for the expenditure when the expenditure must be made, then (i) neither the Board nor any of its past or present members shall be liable to the 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.

6.07 INITIAL CAPITAL CONTRIBUTION: Upon the closing of the first sale of a Lot 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) months Common Assessment at the rate which shall be effective with respect to the Lot as of the closing plus one hundred dollars (\$100.00). Said amount shall be held and used by the Association for its working capital needs.

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 Lot 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 Lot 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 Lot. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Lot against which such Charge is made and also shall be the personal obligation of the Owner of the Lot 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. If a Charge is not paid within ten (10) days after the due date, a late fee of Ten Dollars (\$10.00), or such other amount set from time to time by action of the Board ("Late Fee") shall be charged and shall be increased by the amount of the Late Fee for each additional thirty (30) days thereafter during which such Charge remains unpaid. 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 Lot.

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 Lot 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 Lot. Where title to a Lot 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 Lot shall be personally liable for his share of the Charges with respect to which a lien against his Lot 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 Lot, 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, enforcement of 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 Lot 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 Lot 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 Lot to enforce any lien created hereunder.

ARTICLE EIGHT  
Use Restrictions

8.01 RESIDENTIAL USE: Each Lot shall be used only for residential purposes, as a private residence, and no professional, business or commercial use shall be made of a Lot or any portion thereof, nor shall any Resident's use of a Lot endanger the health or disturb the reasonable enjoyment of any other Owner or Resident, except that professional and quasi-professional persons may use their residence as an ancillary or secondary facility to an office elsewhere. The foregoing restrictions shall not, however, be construed to prohibit a Resident from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; (c) handling his personal business or professional telephone calls or correspondence therefrom, or (d) conducting an in-home business not prohibited by applicable laws, ordinances or regulations.

8.02 OUTBUILDINGS:

(a) No outbuilding, shed, storage shed, animal house, in-ground swimming pool, jacuzzi, fence, greenhouse, play set or other temporary or permanent structure shall be constructed on any Lot, except as permitted pursuant to Section 3.07 and Sections 8.10, 8.11 and 8.12, as applicable.

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

(c) There shall be no in-ground swimming pool or fence installed or constructed on a Restricted Lot.

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

8.04 PETS: No animals, livestock or poultry of any kind shall be raised, bred, or kept on the Common Area. The Board may from time to time adopt rules and regulations governing (a) the keeping of pets in the Home, which may include prohibiting certain species of pets from being kept in the Home and (b) the use of the Common Area by pets.

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



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

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

8.08 PARKING: Parking areas and driveways shall be used for parking operable automobiles only and no part of any Lot shall be used for storage use, or parking of mobile homes, trailers, commercial vehicles, snowmobiles or boats except within the confines of a garage. No repair or body work of any motorized vehicle shall be permitted except within the confines of the garage. Any violation of this provision shall be deemed a nuisance under Section 8.06. Passenger motor vehicles in non-operative condition shall not be parked, except in garages.

8.09 ANTENNA/SATELLITE DISHES: Subject to applicable federal, state or local laws, ordinances or regulations the operation of "ham" or other amateur radio stations or the erection of any communication antenna, receiving dish or similar devices (other than a simple mast antenna or a satellite dish which is not visible from the front of the Home) shall not be allowed on the Premises.

8.10 PLAYSETS: Subject to the provisions of Section 3.07, a Lot may be improved with a play set provided that the play set is a "Rainbow" or equivalent or better quality and further provided that a fence is installed on the Lot in accordance with the provisions set forth in Section 8.11 below.

8.11 FENCES: A Lot (other than a Restricted Lot) may be improved with a fence on that portion of the Lot which is between the rear lot line and the back of the Home, or past the garage service door if the garage service door is located in the rear quarter of the garage, provided that the fence at all times conforms to the following specifications:

- (a) If a wood fence:
  - (i) Western Red Cedar, board on board (shadow box) fence;
  - (ii) Height to comply with municipal codes and if not so specified in the municipal codes, height shall be 5';
  - (iii) 1 x 6 boards, spaces edge-to-edge and back-to-back to comply with percent open and closed per municipal ordinance;
  - (iv) 4 x 4 posts with wood (cedar) cap, set 42" into ground and 8 feet +/- on center, with concrete footings;

- (v) Two 2 x 4 back rails (1-1/2" wide); one at the top of the boards and one 12" up from bottom of the boards; and
  - (vi) 1 x 4 top cap, centered on posts.
- (b) If a non-wood fence:
- (i) Black, ornamental;
  - (ii) Height to comply with municipal codes and if not so specified in the municipal codes, height shall be 5';

Any such fence which is permitted to be installed hereunder shall be maintained, repaired and replaced by the Owner of the Lot on which the fence is located.

8.12 SWIMMING POOLS: Subject to the provisions of Section 3.07, a Lot (other than a Restricted Lot) may be improved with an in-ground swimming pool provided that a fence is installed on the Lot in accordance with the provisions set forth in Section 8.11 above. Above ground swimming pools shall not be permitted.

8.13 WINDOW COVERINGS: No foil or other reflective material shall be used to cover any window of a Home which is located on a Restricted Lot where such window can be seen from the Golf Club Property.

8.14 WINDOW MOUNTED UNITS: No window-mounted heating or air conditioning unit shall be permitted to be installed or maintained in a window of a Home which is located on a Restricted Lot where such window can be seen from the Golf Club Property.

8.15 ROOF PROJECTIONS: No roof projections, other than chimneys, antennae, satellite dishes and vent stacks, shall be permitted to be installed or maintained on any roof of a Home which is located on a Restricted Lot.

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. Except as otherwise provided in this Article, the rights reserved to the Declarant in this Article shall terminate at such time as the Declarant is no longer vested with or in control of 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 by and leased back to the Declarant), sales or leasing offices or other facilities for the purpose of selling or leasing Homes on the Premises or at other properties in the general location of the Premises which are being offered for sale by the Declarant or any of its affiliates, without the payment of any fee or charge whatsoever to the Association. Declarant, its agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Common Area, at any and all reasonable times without fee or charge. The Declarant shall have the right and power to lease any unit owned by it or the Declarant to any person or entity which it deems appropriate in its sole discretion.

**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 construction, reconstruction or alteration of any temporary or permanent improvements to any structure which shall contain Homes or the Common Area 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 to the Municipality or, with the Municipality's approval, to any municipality or other governmental authority which has jurisdiction over such portions. Declarant shall also have the right to reserve or grant easements over the 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 or water lines, or any other utility services serving any Home.

**9.05 DEVELOPER CONTROL OF ASSOCIATION:** The first and all subsequent Boards shall consist solely of three (3) persons from time to time designated by the Declarant, which persons may, but need not, be members under Section 5.02. Declarant's rights under this Section to designate the members of the Board shall terminate on the first to occur of (i) such time as Declarant no longer holds or controls title to any part of the Development Area, (ii) the giving of written notice by Declarant to the Association of Declarant's election to terminate such rights, or (iii) seven (7) years from the date of Recording hereof. The date on which the Declarant's rights under this Section shall terminate shall be referred to as the "Turnover Date". From and after the Turnover Date, the Board shall be constituted and elected as provided in the By-Laws. Prior to the Turnover Date all of the voting rights at each meeting of the Owners shall be vested exclusively in the Declarant and the Owners shall have no voting rights.

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

## ARTICLE TEN Amendment

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 Fannie Mae, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Lots, (iii) to correct errors, ambiguities, omissions or inconsistencies in the Declaration or any Exhibit, (iv) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations, or (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 Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and Record Special Amendments. The right and power to make Special Amendments hereunder shall terminate at 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 executed by Owners of at least Seventy-Five Percent (75%) of the Lots; 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) Article Nine, Article Twelve or any other provisions relating to the rights of Declarant may be amended only with the written consent of the Declarant. No amendment which affects the rights of the Golf Club Owner shall be effective unless the Golf Club Owner has given its prior written consent thereto,

which consent shall not be unreasonably withheld or delayed. 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 Lot shall no longer have the legal access to a public way from his Lot. 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 Lot 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 Home on the Lot 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 Lot subject to the First Mortgagee's mortgage.
- (g) Notice of any default by the Owner of the Lot 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 thirty (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.

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 Lots (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 Lot;

(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) and (2) 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 thirty (30) 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 Common Area or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the 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 Lot with respect to any such distribution to or with respect to such Lot; 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 Common Area 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 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 Lots contained in the Added Premises shall be referred to as "Added Lots". 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 the Owners (by number) of two-thirds (2/3) of all Lots 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 Lots 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) Every Owner of an Added Lot 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 Lots 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 Lots, if

any) made subject to this Declaration by any such Supplemental Declaration and the Owners, mortgagees, and lessees thereof, with equal meaning and of like force and effect and the same as if such Added Premises were subjected to this Declaration at the time of the Recording hereof;

(d) The Recording of each Supplemental Declaration shall not alter the amount of the lien for any Charges made to a Lot 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 Lot which is subject to assessment hereunder shall be responsible for the payment of the Common Assessment pursuant to Section 6.02(d), but shall not be responsible for the payment of any special assessment which was levied prior to the time that the Added Home became subject to assessment hereunder.

## ARTICLE THIRTEEN Dispute Resolution

### 13.01 CONSENSUS FOR ACTION BY THE ASSOCIATION:

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

(b) Prior to the Association or any member commencing any proceeding to which Declarant is a Party, including but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the members, or the particular member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute.

13.02 ALTERNATIVE METHOD FOR RESOLVING DISPUTES: Declarant, its officers, directors employees and agents; the Association, its officers, directors and committee members; all Persons subject to this Declaration; and any Person not otherwise subject to this Declaration who agrees to submit to this Article (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those Claims, grievances or disputes described in Section 13.03 (collectively, "Claims") to the procedures set forth in Section 13.04.



13.03 CLAIMS: Unless specifically exempted below, all Claims between any of the Bound Parties regardless of how the same might have arisen or on what it might be based including, but not limited to Claims (a) arising out of or relating to the interpretation, application or enforcement of the provisions of this Declaration, the By-Laws and reasonable rules and regulations adopted by the Board or the rights, obligations and duties of any Bound Party under the provisions of this Declaration, the By-Laws and reasonable rules and regulations adopted by the Board, (b) relating to the design or construction of improvements; or (c) based upon any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party shall be subject to the provisions of Section 13.04 and, if applicable the dispute resolution provisions of the purchase agreement for the purchase of a Lot (“Purchase Agreement”). In the event of an inconsistency or contradiction between the provisions relating to dispute resolution as set forth in this Declaration and those which are set forth in the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

Notwithstanding the foregoing, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 13.04:

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

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

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

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

With the consent of all parties hereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 13.04.

#### 13.04 MANDATORY PROCEDURES:

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

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

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

(iii) the proposed remedy;

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

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

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

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

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

(ii) Right to Cure. Declarant shall have the right to repair, replace or pay the Claimant the reasonable cost of repairing or replacing any defective item. Unless otherwise provided by law or agreed by the Parties, Declarant or Association, as the case may be, shall have not less than 35 days nor more than 90 days from receipt of the Notice (the "Cure Period") to cure as provided herein or to otherwise respond to the Claimant in the event that the Declarant determines that no default has occurred and/or default exists. A Claimant shall have no right to bring any action against the Declarant until expiration of the Cure Period. The Cure Period shall be extended by any period of time that Claimant refuses to allow Declarant to perform inspections and/or perform tests as provided in subsection 13.04(b)(i) of this Article. Declarant shall have the right, but not the obligation, to take action during the Cure Period and/or respond to any notice received from Claimant.

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

(iv) Dispute Resolution. Any dispute (whether contract, warranty, tort, statutory or otherwise), including, but not limited to (a) any and all controversies, disputes or claims arising under, or related to, the Purchase Agreement, the Lot, or any dealings between the Declarant and Owner (with the exception of "consumer products" as defined by the Magnuson-Moss Warranty-Federal Trade Commission Act, 15 U.S.C. Section 2301 et seq., and the regulations promulgated thereunder), (b) any controversy, dispute or claim arising by virtue of any representations, promises or warranties alleged to have been made by Declarant or Declarant's representative, and (c) any personal injury or property damage alleged to have been sustained by Purchaser on the Property (hereinafter

individually and collectively referred to as “disputes” or “Claims”), shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided in Paragraphs 13.04(c) and 13.04(d) below and as provided by the Federal Arbitration Act (9 U.S.C. Section 1 et seq.) or applicable state law relating to arbitration and not by or in a court of law.

(v) Small Claims Court. Notwithstanding the requirement of arbitration, Claimant shall have the option, after mediation to seek relief in a small claims court for disputes or Claims within the scope of the court’s jurisdiction in lieu of proceeding with arbitration.

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

(vii) Arbitration Fees. The fees for any claim in an amount of \$10,000 or less shall be apportioned as provided in applicable AAA rules. Unless provided otherwise by applicable AAA rules, for claims that exceed \$10,000, the filing Party shall pay up to the first \$750 of any initial filing fee to initiate arbitration. Under the following conditions, Declarant agrees to pay up to the next \$2,000 of any initial filing fee: (1) Claimant has participated in mediation prior to initiating the arbitration; (2) the parties have mutually agreed to waive mediation; or (3) Declarant files for arbitration under Paragraph (d)(i) below. The portion of any filing fee not covered above, and any case service fee, management fee or fees of arbitrator(s), shall be shared equally by the Parties.

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

(c) Negotiation and Mediation.

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

(ii) If the Parties do not resolve the Claim within 90 days after the date of the Notice and the Cure Period has expired (or within such other period as may be agreed upon by the Parties) (“Termination of Negotiations”), either Party shall have 30 days from the date of Termination of Negotiations to submit the Claim to mediation. The mediation shall be filed with and administered by the American Arbitration Association

("AAA") in accordance with the AAA's Supplementary Mediation Procedures for Residential Construction Disputes in effect on the date of the Notice. If there are no Supplementary Mediation Procedures for Residential Construction Disputes currently in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of the Notice shall be utilized. Unless mutually waived in writing by the Parties, submission to mediation is a condition precedent to either Party taking further action with regard to the Claim.

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

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

(d) Binding Arbitration.

(i) Upon Termination of Mediation, either Party shall thereafter be entitled to initiate binding arbitration of the Claim under the auspices of AAA in accordance with the AAA's Supplementary Arbitration Procedures for Residential Construction Disputes in effect on the date of the Notice. If there are no Supplementary Arbitration Procedures for Residential Construction Disputes in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such Notice shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. Unless the Parties agree otherwise, Claims in excess of \$10,000 but less than \$500,000 shall utilize the Regular Track Procedures of the Construction Industry Arbitration Rules, as modified by the Supplementary Arbitration Procedures for Residential Construction. If the Claim amount exceeds \$250,000 or includes a demand for punitive damages, the Claim shall be heard and determined by three arbitrators. Otherwise, unless mutually agreed to by the Parties, there shall be one arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

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

(e) Costs and Expenses. Except as otherwise provided under subparagraphs 13.04(b) above, each Party shall bear its own costs and expenses, including attorney's fees, for any mediation and arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded

reasonable attorneys fees and expenses incurred in defending such contest. In addition, if a Party fails to abide by the terms of a mediation settlement or arbitration award, the other Party shall be awarded reasonable attorneys fees and expenses incurred in enforcing such settlement or award.

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

ARTICLE FOURTEEN  
The Community Association

14.01 IN GENERAL: The Declarant intends to record that certain Community Declaration for The Midlane Club (the "Community Declaration") with respect to all of the Premises as well as certain lots in The Midlane Club Subdivision which will be designated in the Community Declaration as Detached Residential Lots, Condominium Units or Community Area. The Community Declaration provides for the incorporation of an Illinois not for profit corporation to be known as the Midlane Club Community Association (the "Community Association"). Each Owner of a Dwelling Unit hereunder shall be a member of the Community Association, along with Owners of the Detached Residential Lots and Condominium Units which are made subject to the Community Declaration. Owners of Dwelling Units under the Community Declaration shall be responsible for paying assessments to the Community Association, as more fully provided in the Community Declaration. The Declarant desires to provide a mechanism whereby the Association may facilitate the collection by the Community Association of assessments payable to it by the Owners of Homes hereunder.

14.02 BILLING AND COLLECTION OF COMMUNITY ASSESSMENTS: At the request of the Community Association, the Association shall invoice the Owners of Homes hereunder for Community Assessments payable by such Owners based on information furnished to the Association by the Community Association. If the Association sends such invoices and receives payment from an Owner, the Association shall remit the amount received to the Community Association. If an Owner pays a portion of the full amount invoiced to the Owner for the Community Assessments and Common Assessments or other amounts owed to the Association, without designating how the payment is to be applied, then the payment shall be applied first to current amounts owed to the Association, then to current amounts owed to the Community Association (which were invoiced by the Association), then to delinquent amounts owed to the Association, then to delinquent amounts owed to the Community Association (which were invoiced by the Association). The Association may charge the Community Association a fee for its services under this Section which fee shall reasonably approximate the additional costs incurred by the Association to furnish such services.

14.03 COLLECTION OF DELINQUENT COMMUNITY ASSESSMENTS: If an Owner is delinquent in payment of Common Assessments hereunder and is also delinquent in payment of Community Assessments under the Community Declaration, then upon the written request of the Community Association to the Association, if the Association brings legal action against the delinquent Owner for unpaid Common Assessments, it shall include a count or counts for the delinquent Community Assessments payable to the Community Association in the name

of and on behalf of the Community Association. If such an action is brought by the Association, the cost thereof shall be shared between the Association and the Community Association based on the relative amounts owed to each Association. If the Association recovers any amounts as a result of its efforts, the amount recovered shall first be applied to pay costs of collection (including attorneys fees and court cost) and the balance shall be shared between the Association and the Community Association based on the relative amounts owed to each Association.

## ARTICLE FIFTEEN

### Miscellaneous

15.01 NOTICES: Except as otherwise provided in Section 13.04, 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.

15.02 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.

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

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

15.05 TITLE HOLDING LAND TRUST: In the event title to any Lot is held by a title holding trust, under the terms of which all powers of management, operation and control of the Lot 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 Lot. 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 Lot and the beneficiaries

of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Lot.

15.06 WAIVER OF IMPLIED WARRANTY OF HABITABILITY: Illinois courts have held that every agreement 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 agreement 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 purchaser. However, the courts have also held that a seller-builder and purchaser may agree in writing that the Implied Warranty of Habitability is not included as a part of their particular agreement. Each purchaser 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: \_\_\_\_\_, 20\_\_

**DECLARANT:**

CONCORD HOMES, INC., a Delaware corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF ILLINOIS )  
                                ) SS  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that \_\_\_\_\_, a Vice President of Concord Homes, Inc., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, 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 for the uses and purposes herein set forth.

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

EXHIBIT A TO  
DECLARATION FOR THE MIDLANE COURTYARD HOMES

The Development Area

ALL LOTS AND OUTLOTS IN THE GREENS AT MIDLANE NORTH ACCESS SUBDIVISION,  
BEING A SUBDIVISION OF PART OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11 EAST OF  
THE THIRD PRINCIPAL MERIDIAN, ALL IN LAKE COUNTY, ILLINOIS, PURSUANT TO THE  
PLAT THEREOF RECORDED IN LAKE COUNTY, ILLINOIS, ON FEBRUARY 22, 2005, AS  
DOCUMENT NO. 5737715.



EXHIBIT B TO  
DECLARATION FOR THE MIDLANE COURTYARD HOMES

The Premises

I. Lots

Lots 1 through 20, both inclusive, in the Greens at Midlane North Access Subdivision, being a subdivision of Part of Section 2, Township 45 North, Range 11 East of the Third Principal Meridian, in Lake County, Illinois, pursuant to the plat thereof recorded in Lake County, Illinois, on February 22, 2005, as Document No. 5737715.

II. Common Area

None at this time

EXHIBIT C TO  
DECLARATION FOR THE MIDLANE CLUB

Golf Club Property

PARCEL 1:

THE WEST 490.8 FEET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 2 (EXCEPT THE NORTH 215 FEET OF THE SOUTH 635 FEET THEREOF), TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 2:

THE EAST 228 FEET OF THE WEST 718.8 FEET OF THE SOUTH 500.2 FEET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 3:

THE NORTH 1212 FEET OF THE SOUTH 1622 FEET OF THE EAST 1/2 OF GOVERNMENT LOTS 1 AND 2 (EXCEPT THAT PART DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SOUTH 1622 FEET; THENCE SOUTH ALONG THE EAST LINE OF THE NORTHWEST 1/4 OF SECTION 2, 1212 FEET; THENCE WESTERLY ALONG THE SOUTH LINE OF THE NORTH 1212 FEET, 527.74 FEET, MORE OR LESS, TO THE INTERSECTION WITH THE LINE DRAWN BETWEEN TWO POINTS, THE FIRST BEING 880 FEET NORTH OF THE SOUTH LINE AND 665 FEET WEST OF THE EAST LINE OF THE NORTHWEST 1/4, THE SECOND BEING 405 FEET SOUTH OF THE NORTH LINE AND 290 FEET WEST OF THE EAST LINE OF THE SOUTHWEST 1/4; THENCE NORTH 16 DEGREES 17 MINUTES WEST, 489.37 FEET, MORE OR LESS, TO THE SAID FIRST POINT; THENCE SOUTH 89 DEGREES 52 MINUTES 40 SECONDS WEST ALONG A LINE PARALLEL WITH AND 880 FEET NORTH OF THE SOUTH LINE OF SAID NORTHWEST 1/4, 300 FEET; THENCE NORTH 02 DEGREES 38 MINUTES WEST ALONG A LINE WHICH IF EXTENDED NORTHERLY PASSES THROUGH A POINT 672 FEET SOUTH OF THE NORTH LINE AND 1009 FEET WEST OF THE EAST LINE OF THE NORTHWEST 1/4, 742.68 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF SAID SOUTH 1622 FEET; THENCE EASTERLY ALONG SAID NORTH LINE, 999.16 FEET MORE OR LESS, TO THE POINT OF BEGINNING) AND (EXCEPT THE WEST 28 FEET THEREOF) IN THE NORTHWEST 1/4 OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 4:

THE SOUTH 410 FEET OF THE EAST 1/2 OF GOVERNMENT LOTS 1 AND 2 IN THE NORTHWEST 1/4 (EXCEPT THAT PART DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SOUTH 410 FEET; THENCE SOUTH ALONG THE EAST LINE OF THE NORTHWEST 1/4, 410 FEET; THENCE WESTERLY ALONG THE SOUTH LINE OF THE NORTHWEST 1/4, 408 FEET, MORE OR LESS, TO THE INTERSECTION WITH THE LINE BETWEEN TWO POINTS, THE FIRST BEING 665 FEET WEST OF THE EAST LINE AND 880 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST 1/4, AND THE SECOND BEING 405 FEET SOUTH OF THE NORTH LINE AND 290 FEET WEST OF THE EAST LINE OF THE SOUTHWEST 1/4 OF SECTION 2; THENCE NORTH 16 DEGREES 17 MINUTES WEST ALONG A LINE BETWEEN TWO SAID POINTS, 426.89 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF SAID SOUTH 410 FEET; THENCE EASTERLY ALONG SAID NORTH LINE, 527.74 FEET, MORE OR LESS, TO THE POINT OF BEGINNING) AND (EXCEPT THE WEST 28 FEET THEREOF) OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, THE LAKE COUNTY, ILLINOIS.

PARCEL 5:

THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 2 (EXCEPT THE WEST 490.8 FEET THEREOF, AND EXCEPT THE EAST 228 FEET OF THE WEST 718.8 FEET OF THE SOUTH 500.2 FEET, AND ALSO EXCEPT THAT PART DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE WESTERLY ALONG THE NORTH LINE OF SAID NORTHEAST 1/4, 408 FEET, MORE OR LESS, TO THE INTERSECTION WITH THE LINE BETWEEN TWO POINTS, THE FIRST BEING 405 FEET SOUTH OF THE NORTH LINE AND 290 FEET WEST OF THE EAST LINE OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4, AND THE SECOND BEING 880 FEET NORTH OF THE SOUTH LINE AND 665 FEET WEST OF THE EAST LINE OF THE NORTHWEST 1/4 OF SECTION 2; THENCE SOUTH 16 DEGREES 17 MINUTES EAST, 421.37 FEET, MORE OR LESS, TO THE SAID FIRST POINT; THENCE SOUTH 07 DEGREES 14 MINUTES WEST, 927.35 FEET, MORE OR LESS, TO THE POINT ON THE SOUTH LINE OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE EASTERLY ALONG SAID SOUTH LINE, 406.55 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE NORTH ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4, 1325 FEET, MORE OR LESS, TO THE POINT OF BEGINNING) IN TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 6:

THE NORTH 260 FEET OF THE SOUTHEAST 1/4 OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART LYING EAST OF THE WESTERLY EDISON RIGHT OF WAY LINE, AND EXCEPT THAT PART DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID NORTH 260 FEET; THENCE EASTERLY ALONG THE NORTH LINE OF SAID SOUTHEAST 1/4, 1175.22 FEET, MORE OR LESS, TO THE INTERSECTION WITH THE LINE BETWEEN TWO POINTS, THE FIRST BEING 810 FEET EAST OF THE WEST LINE AND 550 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST 1/4, AND THE SECOND BEING 1320 FEET WEST OF THE EAST LINE AND 216 FEET NORTH OF THE SOUTH LINE OF THE NORTHEAST 1/4 OF SECTION 2; THENCE SOUTH 33 DEGREES 33 MINUTES 20 SECONDS WEST ALONG A LINE BETWEEN SAID POINTS, 312.42 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID NORTH 260 FEET; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTH 260 FEET; 1002.57 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID NORTH 260 FEET; THENCE NORTH ALONG THE WEST LINE OF SAID NORTH 260 FEET TO THE POINT OF BEGINNING), IN LAKE COUNTY, ILLINOIS.

PARCEL 7:

THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 2 (EXCEPT THAT PART DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SOUTHEAST 1/4; THENCE SOUTH ALONG THE EAST LINE OF SAID SOUTHEAST 1/4, 811.69 FEET, MORE OR LESS, TO A POINT OF INTERSECTION WITH THE LINE BETWEEN TWO POINTS, THE FIRST BEING 75 FEET WEST OF THE EAST LINE AND 450 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHEAST 1/4, AND THE SECOND BEING 425 FEET EAST OF THE WEST LINE AND 890 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST 1/4 OF SECTION 2; THENCE SOUTH 48 DEGREES 38 MINUTES WEST, 100 FEET, MORE OR LESS, TO THE SAID FIRST POINT; THENCE NORTH 71 DEGREES 45 MINUTES 45 SECONDS WEST 447.5 FEET; THENCE NORTH 07 DEGREES 14 MINUTES EAST ALONG THE LINE WHICH IF EXTENDED NORTHERLY PASSES THROUGH THE POINT 290 FEET WEST OF THE EAST LINE AND 405 FEET SOUTH OF THE NORTH LINE OF THE SOUTHWEST 1/4 OF SECTION 2, 743.55 FEET, MORE OR LESS, TO THE NORTH LINE OF SAID SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; THENCE EASTERLY ALONG SAID NORTH LINE, 406.55 FEET, MORE OR LESS, TO THE POINT OF BEGINNING), IN TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 8:

THE SOUTH ½ OF THE SOUTHEAST ¼ OF SECTION 2 (EXCEPT THAT PART LYING EAST OF THE WESTERLY EDISON RIGHT OF WAY LINE, AND ALSO EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTH ½ OF SAID SOUTH EAST ¼; THENCE EASTERLY ALONG THE NORTH LINE OF SAID SOUTH ½, 563.96 FEET, MORE OR LESS, TO A POINT ON THE LINE BETWEEN TWO POINTS, THE FIRST BEING 425 FEET EAST OF THE WEST LINE AND 890 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST ¼, AND THE SECOND BEING 810 FEET EAST OF THE WEST LINE AND 550 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST ¼; THENCE SOUTH 17 DEGREES 35 MINUTES 20 SECONDS WEST, 566.15 FEET, MORE OR LESS, TO THE SAID FIRST POINT; THENCE SOUTH 48 DEGREES 38 MINUTES WEST ALONG A LINE WHICH IF EXTENDED SOUTHWESTERLY PASSES THROUGH A POINT 75 FEET WEST OF THE EAST LINE AND 450 FEET NORTH OF THE SOUTH LINE OF THE SOUTHWEST ¼ OF SECTION 2, 566.15 FEET, MORE OR LESS, TO THE WEST LINE OF SAID SOUTHEAST ¼ OF SECTION 2; THENCE NORTH ALONG SAID WEST LINE, 811.69 FEET, MORE OR LESS, TO THE POINT OF BEGINNING), IN TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 9:

THE NORTH ½ OF THE SOUTHEAST ¼ OF SECTION 2 (EXCEPT THE NORTH 260 FEET THEREOF, AND EXCEPT THAT PART LYING EAST OF THE WESTERLY EDISON RIGHT OF WAY LINE, ALSO EXCEPT THAT PART DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTH 260 FEET, THENCE EASTERLY ALONG THE SOUTH LINE OF THE NORTH 260 FEET, 1002.57 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH THE LINE BETWEEN TWO POINTS, THE FIRST BEING 810 FEET EAST OF THE WEST LINE AND 550 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST ¼ OF SECTION 2, AND THE SECOND BEING 1320 FEET WEST OF THE EAST LINE AND 216 FEET NORTH OF THE SOUTH LINE OF THE NORTHEAST ¼ OF SECTION 2; THENCE SOUTH 33 DEGREES 33 MINUTES 20 SECONDS WEST, 349.47 FEET, MORE OR LESS, TO THE SAID FIRST POINT; THENCE SOUTH 17 DEGREES 35 MINUTES 20 SECONDS WEST ALONG A LINE WHICH IF EXTENDED SOUTHWESTERLY, PASSES THROUGH A POINT 425 FEET EAST OF THE WEST LINE AND 890 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST ¼ OF SECTION 2, 814.26 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID NORTH ½ OF THE SOUTHEAST ¼ OF SECTION 2; THENCE WESTERLY ALONG SAID SOUTH LINE, 563.36 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID NORTH ½; THENCE NORTH ALONG THE WEST LINE OF SAID NORTH ½, 1065 FEET MORE OR LESS, TO THE POINT OF BEGINNING) IN TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 10:

THAT PART OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE NORTHWEST ¼ OF SAID SECTION 2, 17 FEET WEST OF THE NORTHEAST CORNER THEREOF; THENCE SOUTH ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID NORTHWEST ¼, 461 FEET, SAID LINE HEREAFTER DESIGNATED AS HAVING A COURSE OF SOUTH 00 DEGREES FOR PURPOSES OF THIS DESCRIPTION; THENCE SOUTH 86 DEGREES 34 MINUTES 30 SECONDS EAST, 667.83 FEET TO A POINT WHICH IS 650 FEET EAST OF THE WEST LINE AND 500 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST ¼ OF SECTION 2; THENCE SOUTH 49 DEGREES 35 MINUTES 30 SECONDS EAST, 877.38 FEET TO A POINT, SAID POINT BEING 1320 FEET WEST OF THE EAST LINE AND 1432 FEET NORTH OF THE SOUTH LINE OF SAID NORTHEAST ¼ OF SECTION 2; THENCE SOUTH 00 DEGREES 01 MINUTE 00 SECONDS EAST ALONG A LINE PARALLEL WITH AND 1320 FEET WEST OF THE EAST LINE OF SAID NORTHEAST ¼, 1216 FEET; THENCE SOUTH 33 DEGREES 33 MINUTES 20 SECONDS WEST, 920.36 FEET TO A POINT

WHICH IS 810 FEET EAST OF THE WEST LINE AND 550 FEET SOUTH OF THE NORTH LINE OF THE SOUTHEAST 1/4 OF SECTION 2; THENCE SOUTH 17 DEGREES 35 MINUTES 20 SECONDS WEST, 1274.14 FEET TO A POINT, SAID POINT BEING 425 FEET EAST OF THE WEST LINE AND 890 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST 1/4 OF SECTION 2; THENCE SOUTH 48 DEGREES 38 MINUTES WEST, 666.15 FEET TO A POINT, SAID POINT BEING 75 FEET WEST OF THE EAST LINE AND 450 FEET NORTH OF THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SECTION 2; THENCE NORTH 71 DEGREES 45 MINUTES 45 SECONDS WEST 447.50 FEET; THENCE NORTH 07 DEGREES 14 MINUTES EAST, 1670.94 FEET TO A POINT, SAID POINT BEING 405 FEET SOUTH OF THE NORTH LINE AND 290 FEET WEST OF THE EAST LINE OF THE SAID SOUTHWEST 1/4; THENCE NORTH 16 DEGREES 17 MINUTES WEST, 1337.63 FEET TO A POINT, WHICH IS 665 FEET WEST OF THE EAST LINE AND 880 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST 1/4 OF SECTION 2; THENCE SOUTH 89 DEGREES 52 MINUTES 40 SECONDS WEST ALONG A LINE PARALLEL WITH AND 880 FEET NORTH OF THE SOUTH LINE OF SAID NORTHWEST 1/4, 300 FEET TO A POINT WHICH IS 965 FEET WEST OF THE EAST LINE OF SAID NORTHWEST 1/4; THENCE NORTH 02 DEGREES 38 MINUTES WEST, 956.61 FEET TO A POINT, SAID POINT BEING 672 FEET SOUTH OF THE NORTH LINE AND 1009 FEET WEST OF THE EAST LINE OF THE NORTHWEST 1/4 OF SECTION 2; THENCE NORTH PARALLEL WITH THE EAST LINE OF THE SAID NORTHWEST 1/4 108 FEET; THENCE EASTERLY ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST 1/4 573 FEET; THENCE NORTH ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID NORTHWEST 1/4, 104 FEET; THENCE EASTERLY ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SAID NORTHWEST 1/4, 151 FEET; THENCE NORTH ALONG A LINE PARALLEL WITH THE EAST LINE OF THE SAID NORTHWEST 1/4, 195 FEET; THENCE EASTERLY ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SAID NORTHWEST 1/4, 33 FEET; THENCE NORTH ALONG A LINE PARALLEL WITH THE EAST LINE OF THE SAID NORTHWEST 1/4, 265 FEET TO A POINT ON THE NORTH LINE OF THE SAID NORTHWEST 1/4; THENCE EASTERLY ALONG SAID NORTH LINE, 235 FEET TO THE POINT OF BEGINNING (EXCEPT THAT PART LYING WEST OF THE EAST 17 FEET AND NORTH OF THE SOUTH 1622 FEET OF THE NORTHWEST 1/4 OF SAID SECTION 31, IN LAKE COUNTY, ILLINOIS).

PARCEL 11:

THAT PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 11, TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS, TO WIT:

COMMENCING AT THE NORTHWEST CORNER OF SAID QUARTER QUARTER SECTION; THENCE SOUTH ALONG THE WEST LINE THEREOF, 1232.99 FEET TO A POINT 90.31 FEET NORTH OF THE SOUTHWEST CORNER OF SAID QUARTER QUARTER SECTION (SAID POINT BEING ON THE NORTHWESTERLY LINE OF THE PROPERTY CONVEYED TO A. EVERETT PATTON BY DEED RECORDED NOVEMBER 25, 1960 AS DOCUMENT 10905461); THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID PREMISES CONVEYED TO A. EVERETT PATTON, 1337.54 FEET, MORE OR LESS, TO THE NORTH LINE OF SAID QUARTER QUARTER SECTION; THENCE WEST ALONG SAID NORTH LINE 508.95 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

PARCEL 12:

THE EAST 1/2 OF GOVERNMENT LOTS 1 AND 2 OF THE NORTHWEST 1/4 OF SECTION 2 (EXCEPT THE SOUTH 1622 FEET THEREOF, AND EXCEPT THE WEST 28 FEET THEREOF AND EXCEPT MIDLANE FARMS COUNTRYSIDE UNIT NO. 1 RECORDED AS DOCUMENT 1305259, AND EXCEPT THE EAST 17 FEET THEREOF LYING WEST OF MIDLANE FARMS COUNTRYSIDE UNIT 1, NOTED HEREIN), IN TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 13:

THE SOUTH EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 11 (EXCEPT THAT PART THEREOF LYING WEST OF THE EASTERLY RIGHT OF WAY LINE OF THE CHICAGO,

MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD RIGHT OF WAY, AND EXCEPT THOSE PARTS CONVEYED TO THE COMMONWEALTH EDISON COMPANY BY INSTRUMENTS RECORDED OCTOBER 28, 1955 AS DOCUMENT 886845 AND AUGUST 15, 1960 AS DOCUMENT 1079033), IN TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

PARCEL 14:  
THE WEST ½ OF GOVERNMENT LOTS 1 AND 2 IN THE NORTHWEST ¼ OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE NORTH 663 FEET OF THE EAST 553 FEET THEREOF, AND EXCEPT OAK CREST SUBDIVISION, PHASE 1 AND PHASE 2), IN LAKE COUNTY, ILLINOIS.

PARCEL 15:  
THE NORTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY RIGHT OF WAY), IN LAKE COUNTY, ILLINOIS.

PARCEL 16:  
THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART LYING WEST OF THE EAST LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY RIGHT OF WAY), IN LAKE COUNTY, ILLINOIS.

PARCEL 17:  
THAT PART OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 11, TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF THE RAILROAD RIGHT OF WAY, IN LAKE COUNTY, ILLINOIS.

PARCEL 18:  
THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 11, TOWNSHIP 45 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE TRIANGLE IN THE SOUTHEAST CORNER OF SAID QUARTER QUARTER SECTION, BEING 90.31 FEET ON THE EAST LINE AND 37.29 FEET OF THE SOUTH LINE THEREOF), IN LAKE COUNTY, ILLINOIS.

AND EXCEPTING FROM THE AFOREMENTIONED PARCELS 1 THROUGH 18, LOTS 1-212 AND OUTLOTS C, D, E, G AND H OF THE LINKS AT MIDLANE SUBDIVISION, BEING A SUBDIVISION OF PARTS OF THE NORTHWEST QUARTER OF SECTION 2, ALL IN TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED JUNE 29, 1994 AS DOCUMENT 3561532, IN LAKE COUNTY, ILLINOIS.

AND ALSO EXCEPTING THEREFROM ALL ROADS IN THE LINKS AT MIDLANE SUBDIVISION PREVIOUSLY DEDICATED TO THE PUBLIC.  
AND ALSO EXCEPTING THEREFROM OUTLOT "F" (EXCEPTING THE NORTH 215.00 FEET AND ALSO EXCEPTING THE WEST 50.00 FEET THEREOF) IN THE LINKS AT MIDLANE SUBDIVISION, BEING A SUBDIVISION OF PARTS OF THE NORTHWEST QUARTER OF SECTION 2, ALL IN TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

AND ALSO EXCEPTING THEREFROM THAT PART OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:  
COMMENCING AT A POINT ON THE NORTH/SOUTH QUARTER LINE OF SECTION 2, SAID POINT BEING 854.28 FEET SOUTHERLY OF THE NORTH QUARTER CORNER OF SECTION 2:  
THENCE ON AN ASSUMED BEARING OF NORTH 87 DEGREES 31 MINUTES 05 SECONDS EAST, 68.58 FEET TO THE POINT OF BEGINNING; THENCE ALONG AN ARC CONCAVE TO

THE SOUTH, HAVING A RADIUS OF 50.00 FEET, A CHORD BEARING NORTH 68 DEGREES 12 MINUTES 59 SECONDS EAST, A CHORD LENGTH OF 79.52 FEET AND AN ARC LENGTH OF 91.93 FEET; THENCE ALONG AN ARC CONCAVE TO THE NORTH, HAVING A RADIUS OF 40.00 FEET, A CHORD BEARING SOUTH 79 DEGREES 09 MINUTES 38 SECONDS EAST, A CHORD LENGTH OF 27.43 FEET AND AN ARC LENGTH OF 28.00 FEET; THENCE ALONG AN ARC CONCAVE TO THE SOUTH, HAVING A RADIUS OF 330.00 FEET, A CHORD BEARING SOUTH 83 DEGREES 47 MINUTES 07 SECONDS EAST, A CHORD LENGTH OF 175.55 FEET AND AN ARC LENGTH OF 177.69 FEET; THENCE SOUTH 68 DEGREES 21 MINUTES 33 SECONDS EAST, 94.32 FEET; THENCE ALONG AN ARC CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 441.28, A CHORD BEARING SOUTH 64 DEGREES 36 MINUTES 56 SECONDS EAST, A CHORD LENGTH OF 57.63 FEET AND AN ARC LENGTH OF 57.67 FEET; THENCE NORTH 29 DEGREES 07 MINUTES 42 SECONDS EAST, 136.12 FEET; THENCE SOUTH 54 DEGREES 45 MINUTES 33 SECONDS EAST, 97.98 FEET; THENCE SOUTH 46 DEGREES 41 MINUTES 04 SECONDS EAST, 92.41 FEET; THENCE SOUTH 43 DEGREES 40 MINUTES 22 SECONDS EAST, 456.81 FEET; THENCE SOUTH 25 DEGREES 00 MINUTES 57 SECONDS EAST, 139.60; THENCE SOUTH 12 DEGREES 51 MINUTES 34 SECONDS WEST, 133.05 FEET; THENCE SOUTH 61 DEGREES 15 MINUTES 56 SECONDS WEST, 125.00 FEET; THENCE SOUTH 10 DEGREES 40 MINUTES 04 SECONDS WEST, 75.00 FEET; THENCE SOUTH 07 DEGREES 35 MINUTES 09 SECONDS WEST, 65.63 FEET; THENCE SOUTH 02 DEGREES 22 MINUTES 35 SECONDS EAST, 63.26 FEET; THENCE SOUTH 11 DEGREES 03 MINUTES 05 SECONDS EAST, 69.61 FEET; THENCE SOUTH 13 DEGREES 23 MINUTES 39 SECONDS EAST, 71.59 FEET; THENCE SOUTH 16 DEGREES 27 MINUTES 25 SECONDS EAST, 71.42 FEET; THENCE SOUTH 19 DEGREES 31 MINUTES 13 SECONDS EAST, 71.42 FEET; THENCE SOUTH 22 DEGREES 02 MINUTES 26 SECONDS EAST, 119.95 FEET; THENCE SOUTH 22 DEGREES 22 MINUTES 43 SECONDS WEST, 105.95 FEET; THENCE SOUTH 47 DEGREES 29 MINUTES 37 SECONDS WEST, 80.19 FEET; THENCE SOUTH 72 DEGREES 36 MINUTES 30 SECONDS WEST, 80.19 FEET; THENCE NORTH 82 DEGREES 16 MINUTES 36 SECONDS WEST, 30.12 FEET; THENCE NORTH 76 DEGREES 37 MINUTES 09 SECONDS WEST, 99.22 FEET; THENCE SOUTH 75 DEGREES 00 MINUTES 29 SECONDS WEST, 140.88; THENCE ALONG A NON-TANGENTIAL ARC CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 180.00 FEET, A CHORD BEARING SOUTH 65 DEGREES 41 MINUTES 25 SECONDS EAST, A CHORD LENGTH OF 128.89 FEET AND AN ARC LENGTH OF 131.82 FEET; THENCE SOUTH 44 DEGREES 42 MINUTES 40 SECONDS EAST, 116.41 FEET; THENCE SOUTH 45 DEGREES 17 MINUTES 20 SECONDS WEST, 60.00 FEET; THENCE SOUTH 43 DEGREES 28 MINUTES 54 SECONDS EAST, 64.47 FEET; THENCE NORTH 89 DEGREES 21 MINUTES 59 SECONDS WEST, 200.00 FEET; THENCE SOUTH 72 DEGREES 29 MINUTES 39 SECONDS WEST, 177.59 FEET; THENCE SOUTH 21 DEGREES 58 MINUTES 32 SECONDS WEST, 524.36 FEET; THENCE SOUTH 85 DEGREES 09 MINUTES 24 SECONDS WEST, 302.76 FEET; THENCE NORTH 04 DEGREES 50 MINUTES 36 SECONDS WEST, 400.00 FEET; THENCE NORTH 00 DEGREES 39 MINUTES 48 SECONDS WEST, 304.14 FEET; THENCE NORTH 17 DEGREES 01 MINUTES 21 SECONDS WEST, 152.03 FEET; THENCE NORTH 31 DEGREES 24 MINUTES 50 SECONDS WEST, 219.89 FEET; THENCE ALONG A NON-TANGENTIAL ARC CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 370.00 FEET, A CHORD BEARING SOUTH 42 DEGREES 26 MINUTES 18 SECONDS WEST, A CHORD LENGTH OF 78.66 FEET AND AN ARC LENGTH OF 78.80 FEET; THENCE SOUTH 36 DEGREES 20 MINUTES 13 SECONDS WEST, 124.28 FEET; THENCE ALONG AN ARC CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 200.00, A CHORD BEARING SOUTH 51 DEGREES 49 MINUTES 14 SECONDS WEST, A CHORD LENGTH OF 106.79 FEET AND AN ARC LENGTH OF 108.10 FEET; THENCE SOUTH 67 DEGREES 18 MINUTES 15 SECONDS WEST, 51.16 FEET; THENCE ALONG A NON-TANGENTIAL ARC CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 335.00 FEET, A CHORD BEARING NORTH 32 DEGREES 01 MINUTE 54 SECONDS WEST, A CHORD LENGTH OF 91.74 FEET AND AN ARC LENGTH OF 92.03 FEET; THENCE ALONG AN ARC CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 810.84 FEET, A CHORD BEARING NORTH 40 DEGREES 15 MINUTES 10 SECONDS WEST, A CHORD LENGTH OF 9.94 FEET AND AN ARC LENGTH OF 9.94 FEET; THENCE NORTH 67 DEGREE 18 MINUTES 15 SECONDS EAST, 132.92 FEET; THENCE ALONG AN ARC CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 150.00 FEET, A CHORD BEARING NORTH 51 DEGREES 49 MINUTES 14 SECONDS EAST, A

CHORD LENGTH OF 80.09 FEET AND AN ARC LENGTH OF 81.07 FEET; THENCE NORTH 36 DEGREES 20 MINUTES 13 SECONDS EAST, 43.78 FEET; THENCE ALONG AN ARC CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 430.00 FEET, A CHORD BEARING NORTH 42 DEGREES 00 MINUTES 47 SECONDS EAST, A CHORD LENGTH OF 85.06 FEET AND AN ARC LENGTH OF 85.20 FEET; THENCE NORTH 42 DEGREES 18 MINUTES 38 SECONDS WEST, 110.00 FEET; THENCE NORTH 51 DEGREES 30 MINUTES 44 SECONDS EAST, 72.14 FEET; THENCE NORTH 21 DEGREES 14 MINUTES 14 SECONDS WEST, 88.90 FEET; THENCE NORTH 12 DEGREES 30 MINUTES 30 SECONDS WEST, 70.44 FEET; THENCE NORTH 02 DEGREES 31 MINUTES 53 SECONDS WEST, 78.26 FEET; THENCE NORTH 07 DEGREES 46 MINUTES 07 SECONDS EAST, 276.90 FEET; THENCE NORTH 02 DEGREES 29 MINUTES 48 SECONDS EAST, 57.43 FEET; THENCE NORTH 00 DEGREES 58 MINUTES 47 SECONDS EAST, 287.90 FEET; THENCE NORTH 13 DEGREES 58 MINUTES 24 SECONDS EAST, 88.88 FEET; THENCE NORTH 22 DEGREES 18 MINUTES 28 SECONDS EAST, 98.14 FEET; THENCE NORTH 63 DEGREES 44 MINUTES 20 SECONDS EAST, 109.59 FEET; THENCE SOUTH 78 DEGREES 39 MINUTES 20 SECONDS EAST, 109.59 FEET; THENCE SOUTH 30 DEGREES 08 MINUTES 49 SECONDS WEST, 120.00 FEET; THENCE ALONG A NON-TANGENTIAL ARC CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 50.00 FEET, A CHORD BEARING SOUTH 16 DEGREES 25 MINUTES 57 SECONDS EAST, A CHORD LENGTH OF 68.73 FEET AND AN ARC LENGTH OF 75.78 FEET; THENCE SOUTH 89 DEGREES 01 MINUTE 13 SECONDS EAST, 170.56 FEET; THENCE NORTH 03 DEGREES 49 MINUTES 46 SECONDS WEST, 154.18 FEET; THENCE NORTH 80 DEGREES 43 MINUTES 14 SECONDS EAST, 21.46 FEET; THENCE ALONG A NON-TANGENTIAL ARC CONCAVE TO THE EAST, HAVING A RADIUS OF 50.00 FEET, A CHORD BEARING NORTH 03 DEGREES 07 MINUTES 54 SECONDS EAST, A CHORD LENGTH OF 21.49 FEET AND AN ARC LENGTH OF 21.66 FEET TO THE POINT OF BEGINNING, ALL IN LAKE COUNTY, ILLINOIS, CONTAINING 2,287,500 SQUARE FEET OR 52.514 ACRES MORE OR LESS.

AND ALSO EXCEPTING THEREFROM SAID PARCEL 6.

AND ALSO EXCEPTING THEREFROM SAID PARCEL 9.

AND ALSO EXCEPTING THEREFROM SAID PARCEL 8, (EXCEPT THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF SAID SECTION 2; THENCE NORTH ALONG THE WEST LINE OF THE EAST HALF OF SAID SECTION 2, 516.00 FEET; THENCE NORTH 48 DEGREES 38 MINUTES EAST, 566.41 FEET TO A POINT 890.00 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST ¼ OF SAID SECTION 2; THENCE SOUTH 890.00 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF SAID SECTION 2; THENCE ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING), ALL IN LAKE COUNTY, ILLINOIS.

AND ALSO EXCEPTING THEREFROM THAT PART OF SECTION 2, TOWNSHIP 45 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE NORTH/SOUTH QUARTER LINE OF SECTION 2, SAID POINT BEING 854.28 FEET SOUTHERLY OF THE NORTH QUARTER CORNER OF SECTION 2: THENCE ON AN ASSUMED BEARING OF NORTH 87 DEGREES 31 MINUTES 05 SECONDS EAST, 68.58 FEET TO THE POINT OF BEGINNING; THENCE ALONG AN ARC CONCAVE TO THE SOUTH, HAVING A RADIUS OF 50.00 FEET, A CHORD BEARING NORTH 68 DEGREES 12 MINUTES 59 SECONDS EAST, A CHORD LENGTH OF 79.52 FEET AND AN ARC LENGTH OF 91.93 FEET; THENCE ALONG AN ARC CONCAVE TO THE NORTH, HAVING A RADIUS OF 40.00 FEET, A CHORD BEARING SOUTH 79 DEGREES 09 MINUTES 38 SECONDS EAST, A CHORD LENGTH OF 27.43 FEET AND AN ARC LENGTH OF 28.00 FEET; THENCE ALONG AN ARC CONCAVE TO THE SOUTH, HAVING A RADIUS OF 330.00 FEET, A CHORD BEARING SOUTH 83 DEGREES 47 MINUTES 07 SECONDS EAST, A CHORD LENGTH OF 175.55 FEET AND AN ARC LENGTH OF 177.69 FEET; THENCE SOUTH 68 DEGREES 21 MINUTES 33 SECONDS EAST, 94.32 FEET; THENCE ALONG AN ARC CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 441.28, A CHORD BEARING SOUTH 64 DEGREES 36 MINUTES 56 SECONDS EAST,



A CHORD LENGTH OF 57.63 FEET AND AN ARC LENGTH OF 57.67 FEET; THENCE NORTH 29 DEGREES 07 MINUTES 42 SECONDS EAST, 420.81 FEET; THENCE NORTH 48 DEGREES 57 MINUTES 56 SECONDS WEST, 45.89 FEET; THENCE NORTH 85 DEGREES 58 MINUTES 28 SECONDS WEST, 668.18 FEET; THENCE SOUTH 04 DEGREES 58 MINUTES 39 SECONDS EAST, 378.44 FEET; THENCE SOUTH 74 DEGREES 27 MINUTES 26 SECONDS EAST, 50.28 FEET TO THE POINT OF BEGINNING, ALL IN LAKE COUNTY, ILLINOIS.