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SANDY WEGMAN
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**THIS DOCUMENT HAS
BEEN PREPARED BY, AND
AFTER RECORDATION
SHOULD BE RETURNED TO:**

**Kovitz Shifrin Nesbit
175 N. Archer Avenue
Mundelein, Illinois 60060
Attn.: David M. Bendoff, Esq.**

**FIRST CONSOLIDATED, AMENDED AND RESTATED
DECLARATION OF PARTY WALL RIGHTS, COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR THE TOWNES OF PRESTBURY**

WHEREAS, the Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements (hereafter the "Declaration") for The Townes of Prestbury Homeowners Association (hereafter the "Association") was recorded on December 15, 1997 as Document No. 97K087147 in the Office of the Recorder of Deeds of Kane County, Illinois against the Property legally described in Exhibit "1" attached hereto, and the Property has been submitted to the provisions of the Illinois Common Interest Community Association Act ("Act"); and

WHEREAS, the By-Laws of the Association are attached to the Declaration as Exhibit "C"; and

WHEREAS, the Declaration and By-Laws have been amended from time to time by the following documents (hereinafter referred to as the "Amendments") recorded with the Recorder of Deeds of Kane County, Illinois:

<u>Document No.</u>	<u>Recording Date</u>
2007K073166	July 13, 2007,
2008K051223	June 18, 2008,
2013K070629	September 30, 2013, and
2013K070630	September 30, 2013; and

WHEREAS, Section 1-60 of the Illinois Common Interest Community Association Act (the "Act"), 765 ILCS 160/1, provides a procedure for amending the Declaration to correct omissions and other errors in the Declaration. This section of the Act provides that, where there is an omission or error in the Declaration, or instruments of the Association, the Association may correct the error or omission by an amendment in order to conform the instrument with the provisions of the Act. The amendment may be adopted by a vote of two-thirds (2/3) of the members of the Board of Director unless the

Board of Directors' action is rejected by a majority of the votes of the members of the Association at a meeting of the members duly called for that purpose pursuant to a written petition of the members having twenty percent (20%) of the votes of the Association filed within thirty (30) days after the action of the Board of Directors to approve such amendment; and

WHEREAS, provisions of the Act establish certain requirements which the Association is required by law to follow, and with which the present Declaration is in conflict; and

WHEREAS, because of this conflict between the language of the Declaration and the Act, there is the likelihood that confusion, illegal action, or litigation could result imposing needless financial expense on the Association and individual unit owners and possibly also calling into question the validity of actions of the Board of Directors of the Association; and

WHEREAS, this Amendment to the Declaration, to conform with the Act, was approved by at least two-thirds (2/3) of the members of the Board of Directors of the Association at a duly called meeting held SEPTEMBER 8, 2016; and

WHEREAS, the Board of Directors of the Association has given written notice of its action to all members according to the procedures set forth in the Act, and the requisite number of members failed to submit a written petition to the Board of Directors within thirty days of the Board of Directors' action, as provided by Section 1-60(c) of the Act; and

WHEREAS, the Board and the Owners desire to make various substantive amendments to the Declaration; and

WHEREAS, Article XII, Section 12.03 of the aforesaid Declaration and Section 1-20 of the Act provides a procedure for amending the Declaration to make substantive changes to the Declaration and a portion of this amendment was adopted pursuant thereto. These sections of the Declaration and Act provide that such an amendment shall become effective upon recordation in the Office of the Recorder of Deeds of Kane County, Illinois, of an instrument in writing setting forth the change, provided the same is signed by the President of the Association and by those Members of the Association entitled to cast sixty-six and two-thirds percent (66 2/3%) of the total votes; and

WHEREAS, the substantive amendments to the Declaration have been signed by the President of the Association and by Members of the Association entitled to cast at least sixty-six and two-thirds percent (66 2/3%) of the total votes in compliance with Article XII, Section 12.03 of the Declaration and Section 1-20 of the Act; and

WHEREAS, the Board and the Owners desire to make various substantive amendments to the By-Laws; and

WHEREAS, Article X of the aforesaid By-Laws and Section 1-20 of the Act provides a procedure for amending the By-Laws to make substantive changes to the Declaration and a portion of this amendment was adopted pursuant thereto. These sections of the By-Laws and Act provide that such an amendment shall become effective upon recordation in the Office of the Recorder of Deeds of Kane County, Illinois, of an instrument in writing setting forth the change, provided the same is signed by the President of the Association and provided the further that the By-Laws may be amended or modified from time to time by action or approval of the Members entitled to cast two-thirds (2/3) of the total votes; and

WHEREAS, the substantive amendments to the By-Laws have been executed by the President of the Association and by the action or approval of the Members entitled to cast at least two-thirds (2/3) of the total votes, all in compliance with Article X of the By-Laws and Section 1-20 of the Act; and

WHEREAS, the Board recognizes the burden and practical difficulty on the Board and the members and others in reviewing, consulting and referring to the Declaration and By-Laws, the Amendments, the Section 1-60 of the Act amendments, and the substantive amendments; and

WHEREAS, the Board desires to prepare, and has caused to be prepared, a single document consolidating the Declaration and By-Laws, the Amendments, and the Section 1-60 of the Act amendments, and the substantive amendments, into one document (hereafter referred to as the "First Consolidated, Amended And Restated Declaration"), to provide the Board, members and others with a convenient document that restates the substantive provisions of the Declaration and reflects the accumulated Amendments for ease of reference; and

WHEREAS, the First Consolidated, Amended And Restated Declaration truly and accurately reflects the Declaration as amended from time to time, and the Board desires to record the First Consolidated, Amended And Restated Declaration in order to memorialize all of the foregoing action.

NOW THEREFORE, in furtherance of the foregoing recitals, the Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for The Townes of Prestbury and By-Laws are hereby amended and restated in accordance with the following.

CONSOLIDATED, AMENDED, AND RESTATED
DECLARATION OF PARTY WALL RIGHTS, COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR THE TOWNES OF PRESTBURY

THIS IS A CONSOLIDATION, AMENDMENT, AND RESTATEMENT OF THE DECLARATION made and entered into the 15th day of DECEMBER 1997 by HARRIS BANK ST. CHARLES, not personally but solely as Trustee under the provisions of a Trust Agreement dated October 6, 1995 and known as Trust No. LT-2411 (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, the Declarant was the owner and legal title holder of certain real estate in the County of Kane and State of Illinois which real estate is legally described in Exhibit "A" attached hereto and by this reference made a part hereof (the "Property"); and

WHEREAS, the Property is part of the development commonly known as the Village of Prestbury and the Property is subject to the provisions of the Conditions, Covenants, Restrictions and Reservations dated October 15, 1985 and recorded October 25, 1985 as Document No. 1743943 (the "Master Declaration") pursuant to the provisions of an Adoption Agreement dated April 30, 1997 and recorded May 30, 1997 as Document No. 97K034505; and

WHEREAS, Sho Deen, Inc., an Illinois corporation (the "Developer") constructed on the Property Townhouse Units (as hereinafter defined), which will require uniformity and continuing care and maintenance for the privacy, benefit and enjoyment of all persons owning and residing in the Townhouse Units; and

WHEREAS, the Developer has deemed it desirable for the preservation of the values and amenities of the Property to create an 'agency' to which shall be delegated and assigned the powers of maintaining and administering certain areas of the Property and the administering and enforcing the covenants and restrictions hereinafter contained and created; and

WHEREAS, the Developer incorporated under the laws of the State of Illinois, as a not-for-profit corporation, The Townes of Prestbury Homeowners Association for the purpose of exercising the functions aforesaid; and

WHEREAS, the Developer established for the mutual benefit of all future owners, tenants and occupants of the Property and any part thereof, certain easements and rights in, over, under, upon and along the Property and certain mutually beneficial

restrictions and obligations with respect to the use, conduct and maintenance thereof; and

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

ARTICLE I

DEFINITIONS

Section 1.01. "Association" shall mean and refer to the Townes of Prestbury Homeowners Association, an Illinois not-for-profit corporation.

Section 1.02. "Property" shall mean and refer to that certain real estate described in Exhibit "A".

Section 1.03. "Townhouse Unit" shall mean a residential housing unit consisting of a group of rooms which may be attached to one or more other Townhouse Units by common party walls and which are designed or intended for the exclusive use as living quarters for one Family, as hereinafter defined, as constructed by the Developer upon the Property.

Section 1.04. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot (as hereinafter defined) including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.05. "Member" shall mean and refer to any person or entity who holds membership in the Association.

Section 1.06. "Lot" shall mean and refer to that portion of the Property upon which one (1) Townhouse Unit is constructed or will be constructed and title to which shall be conveyed to an Owner by deed.

Section 1.07. "Board" shall mean the Board of Directions of the Association as constituted at any time or from time to time, in accordance with the applicable provisions of Article III.

Section 1.08. "Occupant" shall mean any person or persons other than the Owner in possession of a Townhouse Unit.

Section 1.09. "Family" shall mean one or more persons each related to the other by blood, marriage, or legal adoption or a group of not more than three (3) persons not all so related, together with his or their domestic servants, maintaining a common household in a Townhouse Unit.

Section 1.10. "By-Laws" shall mean the By-Laws of the Townes of Prestbury Homeowners Association, a copy of which is attached as Exhibit "C" hereto and by this reference made a part hereof.

Section 1.11. "Lawn" shall mean that part of each Lot which (a) has no improvements constructed thereon; (b) is not within a fenced-in area; and (c) is sodded with grass; and "Lawns" shall mean all Lawns within the Property.

Section 1.12. "Landscaped Areas" shall mean that part of a Lot and Islands in the public right-of-way which have been landscaped with trees, shrubbery, berms and other forms of vegetation and physical landscaping.

Section 1.13. "Common Areas" shall mean all real property owned by the Association for the common use and enjoyment of all Members of the Association and such uses thereto by way of easement or other grant from the Declarant, the Association or others as may be granted to or by the Association for the common use and enjoyment of the Owners.

Section 1.14. "Intentionally Left Blank".

Section 1.15. "Commercial Vehicle" shall mean any vehicle operated for the transportation of persons or property in the furtherance of any commercial enterprise, For-Hire or Not-For-Hire, but not including a commuter van, a vehicle used for ride sharing arrangement when being used for that purpose, or a recreational vehicle not being used commercially. In addition, vehicles licensed as commercial vehicles and/or those bearing signs or printing making reference to any commercial undertaking or enterprise, and stretch limousines and hearses are included in the definition of commercial vehicle.

Section 1.16. "Acceptable technological means" shall mean including, without limitation, electronic transmission over the Internet or other network, whether by direct connection, intranet, telecopier, or electronic mail.

Section 1.17. "Community instruments" shall mean all documents and authorized amendments thereto recorded by the Developer or common interest community

association, including, but not limited to, the Declaration, By-Laws, plat of survey, and rules and regulations.

Section 1.18. "Electronic transmission" shall mean any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient and that may be directly reproduced in paper form by the recipient through an automated process.

Section 1.19. "Prescribed delivery method" shall mean mailing, delivering, posting in an Association publication that is routinely mailed to all Members, electronic transmission, or any other delivery method that is approved in writing by the Member and authorized by the community instruments.

Section 1.20. "Management Company" or "community association manager" shall mean a person, partnership, corporation, or other legal entity entitled to transact business on behalf of others, acting on behalf of or as an agent for an association for the purpose of carrying out the duties, responsibilities, and other obligations necessary for the day to day operation and management of any property subject to the Act.

ARTICLE II

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot including a contract seller, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Individual Lot owners shall have one membership per Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification of membership.

ARTICLE III

VOTING RIGHTS AND BOARD OF DIRECTORS

Section 3.01. The Association shall have one class of voting membership. Members shall be all those Owners defined in Article II. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article II. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Section 3.02. No Owner of any interest in any Lot shall have any right or power to disclaim, terminate or withdraw from his membership in the Association or any of his

obligations as such Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any Owner shall be of any force or effect for any purpose.

Section 3.03. The Association shall have a Board of five (5) Directors who shall be elected by the Members of the Association at such intervals as the corporate charter and By-Laws of the Association shall provide. The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board who shall manage and conduct the affairs of the Association under the direction of the Board. Except as expressly otherwise provided by the charter or By-Laws, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in its Board from time to time and its officers under the direction of the Board, and shall not be subject to any requirement of approval on the part of its Members. The corporate charter and By-Laws of the Association may include such provisions for the protection and indemnification of its officers and directors as shall be permissible by law. In order to run for and serve on the Board, the Member of the Association must be a Member of the Association in good standing, as defined in Article IV, Section 4.03 (b) of the By-Laws. Notwithstanding the provisions of Article IV, Section 4.07 of the By-Laws, a Board member may be removed by the affirmative vote of a majority of the members of the Board if the Board member is not a Member of the Association in good standing, or if the Board member has missed three (3) consecutive Board meetings without the prior approval of the Board. If there are multiple Owners of a single Unit, only one of the multiple Owners shall be eligible to serve as a member of the Board at any one time, unless the Unit Owner owns another Unit independently.

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

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

repair, or replacements, or services, an attempt must be made by the Association to obtain three (3) bids.

Section 3.06. The Association, through the resolutions of the Board, shall have the right to adopt rules and regulations governing the Lots and the use thereof.

Section 3.07. The books and records to be kept by the Board shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, or any holder of a first mortgage lien of a Lot at such reasonable times during the normal business hours as may be requested by the Owner or by the holder of said first mortgage lien.

ARTICLE IV

MAINTENANCE OF LAWNS AND LANDSCAPED AREAS BY THE ASSOCIATION: RESTRICTION ON USE OF LOTS EASEMENTS FOR FIRE AND POLICE PROTECTION

Section 4.01. Lawn and Landscape Area Care. The Association shall maintain the Lawns and the Landscaped Areas, to include the islands in the public right-of-way, in a manner which will enhance and protect the value, desirability, appearance and aesthetics of the Property, which maintenance shall include, but not be limited to:

- a). the mowing of Lawns;
- b). cultivating (loosening and breaking of soil of all) Landscaped Areas;
- c). trimming and feeding of evergreens and shrubs;
- d.) reseeding;
- e). fertilizing and weed control programs;
- f). spraying, feeding and trimming of trees;
- g). replacement of Lawns, shrubbery, trees, evergreens and the like, but excluding flowers, rosebushes, etc. that require replacement from time to time due to either age, disease, etc., but not due to the lack of watering. When replacement is necessary due to lack of watering, the total cost shall be the responsibility of the Townhome Unit Owner. The cost, when necessary, shall be collected directly from the Townhouse Unit Owner by way of a separate billing.

Section 4.02. Easements for Lawn and Landscaped Area Maintenance. The Association is hereby granted an easement over, under and upon each Lot as may be

necessary or convenient for the maintenance of Lawns and Landscaped Areas (together "Easement Areas") and the Association, its agents and employees, shall have the right to go upon such easement areas for such purposes.

Section 4.03. Restrictions Relating to Lots and Townhouse Units.

a). Use. Each Lot and Townhouse Unit shall be used exclusively for residential purposes. No Lot or Townhouse Unit shall be used at any time for business or commercial activities.

b). Occupancy. No Townhouse Unit shall be used for living purposes by anyone other than a Family.

c). Noxious or Offensive Activities. No noxious or offensive activities shall be carried on in any part of the Property, nor shall anything be done which is or may become a nuisance or cause a disturbance or annoyance to others.

d). No Hazardous Activities. No activities shall be conducted in any part of the Property, and no improvements shall be constructed thereon which are or might be unsafe or hazardous. Without limiting the generality of the foregoing, no firearms shall be discharged, and no open fires shall be lighted or permitted, excepting in a contained gas barbecue while attended and in use for cooking purposes, or within a safe and well designed interior fireplace.

e). Unsignificance. No unsightliness shall be permitted, and no masts, antennas or other structures designed for transmitting or receiving messages or programs by radio or television shall be erected, permitted or maintained upon the exterior of a Townhouse Unit or upon any other part of a Lot, unless permitted by the Rules and Regulations adopted by the Association from time to time. Except as permitted by law, satellite dishes may not be mounted on the front of a Townhouse Unit.

f). Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred, or kept at the Development, except dogs, cats or other common household pets [not to exceed a total of two (2) pets] may be kept in a Townhouse Unit, provided, that they are not kept, bred or maintained for any commercial purposes and are in compliance with all applicable rules and regulations promulgated by the Association.

g). Laundry. No clothes, sheets, blankets or other household articles shall be hung or exposed on any part of a Lot.

h). Material. No storage piles or materials shall be kept except within a Townhouse Unit and no lumber, grass, shrubbery, tree clippings, plant waste, metals, bulk materials, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any part of a Lot. Materials for fireplace use and storage of refuse and trash shall be at

places and in containers as prescribed by Rules and Regulations promulgated by the Association from time to time.

i). Lights, Sound and Odors. No exterior lighting shall be installed on any part of a Lot which is unreasonably bright or causes unreasonable glare; PROVIDED, HOWEVER, that each Owner may install exterior lighting which shall be either indirect or of such controlled focus and intensity so as to not disturb residences of adjoining Lots, which exterior lighting is subject to regulation by the Association. No sounds shall be emitted which are unreasonably loud and annoying and no odors shall be emitted which are noxious or offensive to others.

j). Temporary Structures. No tent, shed, or temporary building or structure shall be placed upon any Lot.

k). Signs. No sign or other advertising device shall be erected or maintained on any Lot or on or inside any Townhouse Unit or on any part of the Common Areas. For sale signs may be placed on a Lot by an Owner in accordance with Regulations promulgated by the Association from time to time.

l). Grading. Except as was designed or performed by the Developer, there shall be no change in the grading of the Property after completion of the Townhouse Units and grading of the Lots, nor shall any established pattern of drainage of surface waters be altered without the approval of the Association.

m). Parking. All Owners, Tenants and Occupants shall use their respective Garages and driveways for the parking and storage of motor vehicles; PROVIDED, HOWEVER, that the use of such driveways for the permanent parking of commercial vehicles is prohibited and provided further that all recreational vehicles must be stored in a closed garage. For the purposes hereof, recreational vehicles shall include, but shall not be limited to, campers, mobile homes, trailers, boats and snowmobiles. All such parking shall be further regulated by the Rules and Regulations promulgated by the Association from time to time. Commercial Vehicles may not be parked on the Property, except for Commercial Vehicles of an Owner's vendor or of an Owner while performing work on the Owner's Lot or Townhouse Unit and except for Commercial Vehicles of a vendor of the Association while performing work on the Common Area.

n). Planting. Except for the mulched area adjacent to the Townhouse Unit, no plants or seeds, trees, shrubberies or bushes incompatible with the natural aesthetics of the Property will be permitted, no such vegetation shall be permitted in Lawns or Landscaped Areas and no plants, trees or shrubberies shall be removed without the prior written approval of the Association.

o). Architectural Alterations and Additions. There shall be no architectural changes or additions made to the exterior of any Townhouse Unit nor shall there be any change, in the exterior materials used in the construction thereof, or in the exterior colors of any Townhouse Unit; except with the prior written consent of the Association. It is the intent of the Association to maintain a uniform appearance of the Townhouse Units.

p). Fences. No fences shall be permitted on the Lots.

q). Leases. (i) Notwithstanding any other provisions of the Declaration to the contrary, the leasing or rental of more than seven (7) of the Townhouse Units at any one time is prohibited, except as hereinafter provided in subsections (ii), (iii), (iv), and (v); provided that no Owner may lease a Townhouse Unit unless such Owner has owned and occupied the Unit continuously for at least one (1) year. The Board shall adopt rules to address leasing priority in the event the number of Townhouse Units being leased has reached the above limit.

(ii) Any and all leases in force on the date of recording this Amendment (and if the Owner provides a copy of said signed lease to the Board within thirty (30) days of the recording of this Amendment) are not affected by subsections (i) and (iii); provided, however, that subsections (i) and (iii) shall apply to a Townhouse Unit that is subject to such lease from and after the earlier of the date that the current term of such lease expires or the date that such lease is otherwise terminated.

(iii) In the event that the maximum number of Units permitted to be leased or rented pursuant to subsection (i) are being leased or rented, to meet special situations and to avoid undue hardship or practical difficulties, the Board may, but is not required to, grant permission to an Owner to lease or rent his Townhouse Unit to a specified lessee for a period of not less than twelve (12) consecutive months nor more than twenty-four (24) consecutive months on such other reasonable terms as the Board may establish. Such permission may be granted by the Board only upon the written application by the Owner to the Board. The Board shall respond to each application in writing within thirty (30) days of the submission thereof. All requests for extension of the original lease must also be submitted to the Board in the same manner as set forth for the original application. The Board has sole and complete discretion to approve or disapprove any Owner's application for a lease or extension of the lease. The Board's decision shall be final and binding.

(iv) The provisions of subsections (i), (ii), and (iii) shall not apply to the rental or leasing of a Townhouse Unit to an Owner's spouse, sibling, child, parent, grandparent, or to any one or more of them.

(v) The provisions of subsections (i), (ii), and (iii) shall not apply to the rental or leasing of Units by the Association through its Board of Directors, in connection with the Association's possession of a Townhouse Unit as authorized under the Illinois Code of Civil Procedure.

(vi) No Townhouse Unit permitted to be leased shall be used for hotel or transient purposes or subleased, no Owner shall lease less than the entire Townhouse Unit, and all permitted leases shall be in writing, for a term of at least twelve (12) months and not more than twenty four (24) months, and shall be subject to the terms of the Declaration, By-Laws, and the rules established by the Board. The Owner of a Townhouse Unit being leased as permitted hereunder shall provide the Association with the names of all tenants of the Townhouse Unit, including the tenants' family members who will occupy the Townhouse Unit, and only those persons may reside in the Townhouse Unit. The provisions of the Declaration, By-Laws and rules and regulations that relate to the use of the individual Townhouse Unit or the Common Area shall be applicable to any person leasing a Townhouse Unit and shall be deemed to be incorporated in any lease. With regard to any lease, the Owner leasing the Unit shall deliver a copy of the signed lease to the Board not later than the date of occupancy or ten (10) days after the lease is signed, whichever occurs first. In addition to any other remedies, by filing an action jointly against the tenant and the Owner, the Association may seek to enjoin a tenant from occupying a Townhouse Unit or seek to evict a tenant under the provisions of Article IX of the Code of Civil Procedure for failure of the lessor-Owner to comply with the leasing requirements prescribed by the Common Interest Community Association Act or by the Declaration, By-Laws, and rules and regulations. The Board of Managers may proceed directly against a tenant, at law or in equity, or under the provisions of Article IX of the Code of Civil Procedure, for any other breach by a tenant of any covenants, rules, regulations or By-Laws. A Unit Owner may not assign, delegate, transfer, surrender, or avoid the duties, responsibilities, and liabilities of a Unit Owner under the Common Interest Community Association Act, the Declaration, By-Laws, or rules and regulations of the Association; and such an attempted assignment, delegation, transfer, surrender, or avoidance shall be deemed void."

(vii) The provisions of the Common Interest Community Association Act, the Declaration, By-Laws, other community instruments, and rules and regulations that relate to the use of an individual Townhouse Unit or the Common Areas shall be applicable to any person leasing a Townhouse Unit and shall be deemed to be incorporated in any lease. The Owner leasing the Townhouse Unit shall deliver a copy of the signed lease to the Association or if the lease is oral, a memorandum of the lease, not later than the date of occupancy or ten (10) days after the lease is signed, whichever occurs first.

(viii) Except for Townhouse Units permitted to be and being leased hereunder, each Townhouse Unit shall be occupied by the Owner (including the beneficiary of a trust holding legal title to the Townhouse Unit), said Owner's spouse, sibling, child, parent, grandparent, or any one or more of them; with respect to Townhouse Units owned by a corporation, a partnership, or limited liability company, or if the beneficiary of a trust holding legal title to a Townhouse Unit is a corporation, partnership, or limited liability company, such Townhouse Unit shall be occupied by a shareholder of such corporation, partner of such partnership, member of such limited liability company, such shareholder's, partner's, or member's spouse, sibling, child, parent, grandparent, or any one or more of them.

r). Flags. Notwithstanding any provision in the Declaration, By-Laws, community instruments, rules, regulations, or agreements or other instruments of the Association or the Board's construction of any of those instruments, the Board may not prohibit the display of the American flag or a military flag, or both, on or within the limited common areas (if any) and facilities of a Unit Owner or on the immediately adjacent exterior of the building in which the Unit of a Unit Owner is located. The Board may adopt reasonable rules and regulations, consistent with Sections 4 through 10 of Chapter 1 of Title 4 of the United States Code, regarding the placement and manner of display of the American flag and the Board may adopt reasonable rules and regulations regarding the placement and manner of display of a military flag. The Board may not prohibit the installation of a flagpole for the display of the American flag or a military flag, or both, on or within the limited common areas (if any) and facilities of a Unit Owner or on the immediately adjacent exterior of the building in which the Unit of a Unit Owner is located, but the Board may adopt reasonable rules and regulations regarding the location and size of flagpoles.

As used in this provision:

"American flag" means the flag of the United States (as defined in Section 1 of Chapter 1 of Title 4 of the United States Code and the Executive Orders entered in connection with that Section) made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "American flag" does not include a depiction or emblem of the American flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

"Military flag" means a flag of any branch of the United States armed forces or the Illinois National Guard made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "military flag" does not include a depiction or emblem of a military flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

Section 4.04. Easement for Police and Fire Protection. An easement is hereby granted to the Village of Sugar Grove and the County of Kane (collectively the "City") to go upon the Lots and the Common Areas for the purpose of providing police and fire protection services and maintaining and repairing those portions of the Lots (streets, sidewalks, sewer and water mains and lines) which the City shall deem to require maintenance or repair for the purpose of keeping (a) the streets and sidewalks thereon open at all times for the passing of fire, police and other emergency vehicles, personnel and equipment from the date such notice is received; and (b) the sewer and water main lines functioning and for their intended purposes.

Section 4.05. Easement For Use of Common Areas. Each Owner and their respective guests, invitees and employees shall have a non-exclusive easement for the use and enjoyment in and to the Common Area subject to the following: (a) the right of the Association to pass reasonable rules and regulations relating to such use and enjoyment; (b) the right of the Association to suspend an Owner's right to use or enjoy such easement for any period during which such Owner may be in violation of this Declaration; (c) and the right of the Association to levy assessments as herein provided; and (d) any and all rights reserved to the Association as herein provided.

Section 4.06. Easement For Drainage and Utilities. A non-exclusive easement for the installation and maintenance of drainage facilities and Utility easements is hereby granted to the Association over, under, across and through the Common Area. If any such drainage or utility facilities are not installed or if any easements for such purposes are not created with respect to a Lot or any portion thereof prior to delivery of a deed to an Owner, the Owner hereby grants to the Association a power of attorney to execute and record any such easements with respect to any Lots owned by said Owner for the benefit of the Property. The foregoing power of attorney is hereby coupled with an interest and is therefore irrevocable.

Section 4.07. Easement Reserved For Common Area Repairs. The Association and any of their respective agents, employees and independent contractors shall have the right to enter upon the Common Areas and any Lot to the extent necessary for the purpose of maintaining, repairing and replacing the Common Areas and any improvements in, on, under or upon the Common Areas as herein provided or for performing any of their respective obligations herein provided. In any such case, the Association or any of their agents, employees or independent contractors shall not be guilty of any trespass.

Section 4.08. Easement Reserved For Utility Repairs. The Association hereby reserves the right to grant easements for ingress, egress, installation, construction, reconstruction, maintenance, repair, operation and inspection of utility services over,

under, across and through the Common Areas as they deem necessary or desirable in order to effectuate the intent of this Declaration.

ARTICLE V

MAINTENANCE OF TOWNHOUSE UNITS

Section 5.01. Each Owner shall carry out or cause to be performed all maintenance and repairs to the exterior of the Townhouse Units and the Lots including, without limitation, all masonry walls, including the foundations thereof, front masonry steps, roofs, gutters and downspouts made necessary and desirable as a result of natural or ordinary wear and deterioration. Each Owner shall, in addition, carry out or cause to be performed all such maintenance and repairs of all water, sewer, gas, telephone and electrical lines incorporated in and forming a part of the Townhouse Unit and located within the boundaries of the Lot owned by such Owner. In addition, each Owner shall have the obligation to maintain in good condition and repair his glass surfaces, windows, front entry and garage doors, electrical fixtures, patio, and walkways located on his or her Lot. Upon the failure of any Owner to maintain those areas which are not the maintenance responsibility of the Association, the Association, through its agents and employees, is hereby granted the right to enter upon the Lot and make such reasonable repairs, maintenance, rehabilitation or restoration of the premises as may be necessary, and the costs thereof shall become a lien upon the Lot in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments, including the provision for interest and attorneys' fees as provided in Section 6.06.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 6.01. Each Owner by acceptance of a deed therefor, whether or not it shall be so expressed in, such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges; and (b) special assessments for capital improvements or such other improvements upon the Property, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interests, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them, but shall continue to be a lien upon the Lot until paid.

Section 6.02. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents in the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and of the Townhouse Units situated upon the Property. Such uses shall include, but are not limited to, the cost to the Association of maintaining the Lawns and Landscaped Areas as may from time to time be authorized by the Association, and other facilities and activities including, but not limited to, mowing grass, caring for the grounds, landscaping, equipment, street lighting, if any, all sanitary and storm sewer and water lines, structures and appurtenances (other than maintained by any governmental authority or utility company), perimeter fencing, if any, and other charges required by this Declaration or that the Association shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, replacements, taxes and other charges as specified herein. In addition, water, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Owners shall be paid for by the Association from the maintenance fund. The Association reserves the right to levy additional assessments against any Owner to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund.

Section 6.03. The Association shall be authorized to fix the annual assessment in an amount sufficient to meet the costs and expenses as contained in Section 6.02 hereof. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, maintenance or replacement (including those items of maintenance and repair set forth in Section 4.01 hereof).

Section 6.04. The annual assessments must be fixed at a uniform rate for all Lots, and shall be paid by the Owners in equal monthly installments.

Section 6.05. The annual assessments provided for herein shall commence for all Lots on the first day of the month of each year. The Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed amount of annual assessment shall be given one month before the effective date of the changed amount of the assessment. An Owner shall first be liable for payment of the full monthly assessment on the first day of the month following conveyance of a Lot to such Owner. This payment shall be in addition to the prorated portion of the monthly assessment which the Owner shall pay as of the date title to the Lot is conveyed to such Owner. The Association shall upon demand at any time furnish a certificate in writing signed by an

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

Section 6.06. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve per cent (12%) per annum, and the Association may bring an action at law or in equity against the Owner personally obligated to pay the same, or foreclose the lien against the respective Lot and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Owner, by acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a foreclosure of a mortgage or deed of trust lien on real property.

Section 6.07. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed on the Lots, provided, however, that such recorded mortgage shall be subject to the lien of all unpaid assessments with respect to such Lot which became due and payable subsequent to the date the holder of said mortgage takes possession of the Lot, accepts a conveyance of any interest in the Lot or has a receiver appointed in a suit to foreclose the lien of such mortgage.

ARTICLE VII

INSURANCE

Section 7.01. The Association shall be further responsible for maintaining such policies of insurance against public liability, vandalism and malicious mischief endorsements as the Association may deem desirable insuring the Association and the Members from liability in connection with the ownership and/or use of the Common Areas, provided that such policies shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days written notice to the Association. The Association may also obtain such other kinds of insurance as the Association shall from time to time deem prudent.

Section 7.02. Each Owner shall procure and maintain in full force at all times insurance covering such Owner's Lot and Townhouse Unit consisting of, or providing all the protections afforded by, the insurance now generally described as fire, extended coverage, additional extended coverage, vandalism and malicious mischief, to one hundred per cent (100%) of the full insurable value thereof with loss payable on the

basis of the cost of replacement without deduction for depreciation, less a deductible amount of no more than One Thousand Dollars (\$1,00.00) and naming the Association as a co-insured on each policy. Such insurance shall be written by companies reasonably acceptable to the Association. A certificate of insurance evidencing such coverage shall be furnished to the Association and new certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association in each case at least ten (10) days prior to the expiration date of the expiring insurance. In the event a Townhouse Unit or any portion thereof shall be damaged or destroyed by fire or other casualty, the Owner shall cause it to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good condition as existed immediately prior to such damage or destruction and in the same architectural style, design and exterior color as originally constructed by the Developer and shall conform in all respects to all applicable laws or ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. In the event of the total or substantial destruction of all of the Townhouse Units, the architectural design of the Townhouse Units to be rebuilt and the materials to be used in constructing the same shall be agreed upon among the Owners thereof, and in the absence of agreement, the rebuilt Townhouse Units shall be substantially similar in architectural design as the original Townhouse Units and shall be constructed of comparable materials and quality of construction.

Section 7.03. Upon the failure of any Owner to procure and maintain the insurance required in Section 7.02 hereof or, in the event the Association, in its discretion, determines that the Townhouse Unit is underinsured, the Association shall have the authority to procure such insurance and/or additional insurance, as the case may be, and the costs thereof shall become a lien upon the Lots in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments, together with interest and attorneys' fees as provided in Section 6.06.

Section 7.04. All repair, restoration or rebuilding pursuant to the provisions of this Article VII shall be carried out under such supervision and direction as the Association shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the Owner or Owners of each Townhouse Unit which shall have been damaged or destroyed shall fully cooperate with, and abide by all instructions and directions of, the Association in connection therewith.

Section 7.05. In the event of such damage or destruction of a Townhouse Unit, the holder of the mortgage encumbering said Townhouse Unit shall allow the proceeds of any insurance required pursuant to Section 7.02 hereof to be utilized in restoring the Townhouse Unit pursuant to the terms of this Article.

Section 7.06. In any case in which the Owner or Owners concerned shall fail to carry out and see to the repair, restoration or rebuilding required by the provisions of this Article VII, the Association may cause such repairs or rebuilding to be furnished, provided and installed, in the same manner as set forth in Section 7.03 hereof, provided, however, that to the extent the insurance proceeds referred to in Section 7.02 are insufficient as to any Townhouse Unit, the particular Owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby granted, a continuing lien on the Lot for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the cost thereof; (b) interest at the rate of twelve per cent (12%) per annum for the date of the Association's payment of such costs; and (c) reasonable attorneys' fees any court or other costs incurred by the Association in connection therewith, which lien shall bind such Lot in the hands of such Owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such Owner does not forthwith fully repay the Association therefore, as aforesaid, such lien shall be foreclosed against the Lot by the Association in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien in this Section 7.06 provided for shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Lot.

Section 7.07. The Association shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the Association for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody or control of the Association. All management companies which are responsible for the funds held or administered by the Association shall maintain and furnish to the Association a fidelity bond for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody of the management company at any time. The Association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the Association and a management company.

ARTICLE VIII

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ARTICLE IX

RESTRICTIONS RELATING TO PROPERTY

Section 9.01. An Owner shall do no act nor any work that will impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Owners.

Section 9.02. Each Lot is hereby declared to be subject to an easement and right to and in favor of the Association and each and all of its employees, agents and instrumentalities to go upon such Lot for reasonable inspection thereof from time to time and for the purpose of carrying out any and all of the obligations and functions with respect to such Lot and the Townhouse Unit located thereon as are herein imposed upon or permitted to the Association. Each Lot is further declared to be subject to an easement in favor of any adjoining Lot to the extent necessary to permit the maintenance, supply, repair and servicing of utility services to the various Lots and Townhouse Units located thereon.

Section 9.03. The Owner of each Lot shall from time to time grant such additional easements and rights over, across, on, under and upon his Lot as may be reasonably necessary in connection with the supply of any of the utilities to any part of the Property.

Section 9.04. Each Lot is hereby subjected to a permanent easement appurtenant to any adjoining Lot to permit the construction, existence, maintenance, repair and restoration of structures located on such adjoining Lot unless such encroachment was intentionally created by the Owner. The owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to maintain, repair and restore any improvements located on the dominant tenement, provided, however, that such entry shall be allowed only during daylight hours and with the prior knowledge of the owner of the servient tenement. In case of emergency, such right of entry shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the owner of the servient tenement. The owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the owner of the dominant tenement granted by this Section 9.04. Any such improvement, material or obstacle shall be promptly removed by the owner of the

servient tenement at that owner's expense when requested by the owner of the dominant tenement, notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area.

ARTICLE X

PARTY WALLS

Section 10.01. All dividing walls which straddle the boundary line between Lots and which stand partly upon one Lot and partly upon another, and all walls which serve two Townhouse Units, shall at all times be considered party walls, and each of the Owners of Lots upon which any such party wall shall stand shall have the right to use said party wall below and above the surface of the ground and along the whole length or any part of the length thereof for the support of the Townhouse Units and for the support of any building constructed to replace the same, and shall have the right to maintain in or on said wall any pipes, ducts or conduits originally located therein or thereon subject to the restrictions hereinafter contained.

Section 10.02. No Owner of any Lot nor any successor in interest to any such Owner shall have the right to extend said party wall in any manner, either in length, height or thickness.

Section 10.03. In the event of damage to or destruction by fire or other casualty of any party wall, including the foundation thereof, the Owner of any Lot upon which such party wall may rest shall have the obligation to repair or rebuild such wall and the Owner of such Lot upon which such wall shall rest, be served or benefited by shall pay his aliquot portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, in a workmanlike manner with materials comparable to those used in the original wall and shall conform in all respects to the laws or ordinances regulating the construction of building in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall.

Section 10.04. The foregoing provision of this Article notwithstanding, the Owner of any Lot, or other interested party, shall retain the right to receive a larger contribution from another or others under any rule or law regarding liability for negligent or willful acts or omissions. The right of any Owner, or other interested party, to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's or other person's successors in title.

Section 10.05. The title of each Owner to the portion of each party wall within such Townhouse Unit is subject to a cross easement in favor of the adjoining Owner for joint use of said wall.

ARTICLE XI

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ARTICLE XII

MISCELLANEOUS

Section 12.01. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Any Owner found to be in violation by a court of competent jurisdiction of any of the foregoing shall also be liable for reasonable attorneys' fees incurred by the Association in prosecuting such action. The amount of such attorneys' fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Owner's Lot, enforceable as other liens herein established. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. An Owner shall be responsible to reimburse the Association for any attorneys' fees incurred by the Association arising out of a default by any Owner, his tenant, invitee or guest in the performance of any of the provisions of the Declaration, By-Laws, rules and regulations or any applicable statute or ordinance.

Section 12.02. Invalidation of any of these covenants or restrictions by judgment or order shall in no way affect any other provisions which shall remain in full force and effect.

Section 12.03. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinafter set forth. The covenants and restrictions of this Declaration may be amended by an instrument signed by those Members entitled to cast sixty-six and two-thirds percent (66 2/3) of the total votes and as provided in Article III, Section 3.01 hereof and then

properly recorded. Any instrument executed pursuant to the provision contained in this Section shall be filed for record in the Office of the Recorder of Deeds of Kane County, Illinois, and a true, complete copy of such instrument shall be transmitted to each Owner promptly.

Section 12.04. If and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities; (b) the rule restricting restraints on alienation; or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provision concerned shall continue and endure only after the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of Kent W. Shodeen alive at the date of this Declaration.

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

b). Any notice required to be sent or received or signature, vote, consent, or approval required to be obtained under any community instrument or any provision of the Common Interest Community Association Act may be accomplished using the technology generally available at that time. This Section governs the use of technology in implementing the provisions of any community instrument or any provision of the Common Interest Community Association Act concerning notices, signatures, votes, consents, or approvals.

c). The Association, Unit Owners, and other persons entitled to occupy a Unit may perform any obligation or exercise any right under any community instrument or any provision of the Common Interest Community Association Act by use of any technological means that provides sufficient security, reliability, identification, and verifiability.

d). A verifiable electronic signature satisfies any requirement for a signature under any community instrument or any provision of the Common Interest Community Association Act.

e). Voting on, consent to, and approval of any matter under any community instrument or any provision of the Common Interest Community Association Act may be accomplished by electronic transmission or other equivalent technological means, provided that a record is created as evidence thereof and maintained as long as the record would be required to be maintained in non-electronic form.

f). Subject to other provisions of law, no action required or permitted by any community instrument or any provision of the Common Interest Community Association Act need be acknowledged before a notary public if the identity and signature of the person can otherwise be authenticated to the satisfaction of the Board of Directors.

g). If any person does not provide written authorization to conduct business using electronic transmission or other equivalent technological means, the common interest community association shall, at its expense, conduct business with the person without the use of electronic transmission or other equivalent technological means.

h). This Section does not apply to any notices required under Article IX of the Code of Civil Procedure related to: (i) an action by the common interest community association to collect a common expense; or (ii) foreclosure proceedings in enforcement of any lien rights under the Common Interest Community Association Act.

Section 12.06. If at any time or times the Board shall deem it necessary or advisable to re-record this Declaration or any part hereof in the Office of the Recorder of Deeds of Kane County, Illinois, in order to avoid the expiration hereof or of any of the covenants, easements, agreements or other provisions herein contained under any of the provisions of the laws of the State of Illinois presently in force commonly known as the Marketable Title Act, or any other law or statute of similar purport, they shall submit the matter to a meeting of the Members called upon not less than ten (10) days' notice, and unless at such meeting at least two-thirds (2/3) of Members shall vote against such rerecording, the Association shall have, and is hereby granted, power to so rerecord this Declaration or such part thereof, and such rerecording shall be binding upon all Owners in every way and with all the full force and effect as though such action were taken by each of said Owners and rerecorded document executed and acknowledged by each of them.

Section 12.07. All the easements, rights, covenants, agreements, reservations, restrictions and conditions herein contained shall run with the land and shall inure to the benefit of and be binding upon each holder of any interest in any portion of the Property and their grantees, heirs, successors, personal representatives and assigns with the same full force and effect for all purposes as though set forth at length in each and every conveyance of the Property or any part thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and covenants herein described shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees or trustees of such parcels as fully and completely as though said easements and covenants were fully recited and set forth in their entirety in such documents.

Section 12.08. In amplification of and in addition to the provisions contained in Article VI, Section 6.07, in the event of any default of any Owner, the Association, all other Owners may and shall have all rights and remedies as shall otherwise be provided or permitted by law, including the right to take possession of such Owner's interest and Lot for the benefit of all other Owners by an action for possession in the manner prescribed in the Forcible Entry and Detainer Act of the State of Illinois.

Section 12.09. Notwithstanding anything in the Declaration to the contrary, with regard to the provisions of Section 12.03 dealing with the method of amending the Declaration and Section 6.07 which expressly subordinates the lien of the Association for unpaid assessment to the lien of any mortgage on any Lot, no amendment to, changes or modification of Section 6.07 shall be effective unless such change or amendment shall be first consented to, in writing, by all mortgagees of record of such Lots.

Section 12.10. In the event that any part of any Townhouse Unit encroaches or shall hereafter encroach upon any part of any other Lot, valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of the same shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Townhouse Unit of another Owner and if it occurred due to the willful conduct of any Owner.

Section 12.11. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class cooperative housing development.

TOWNES OF PRESTBURY ASSOCIATION

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

UNIT 1

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, Parcel 1, and Parcel 2 in the Townes of Prestbury Unit 1, Sugar Grove Township, Kane County, Illinois.

UNIT 2

Lots 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38 and Parcel 3 in the Townes of Prestbury, Sugar Grove Township, Kane County, Illinois.

As per plat of subdivisions recorded as document 96K071522 recorded October 4, 1996 and document 96K071523 recorded October 4, 1996 and Certificate of Correction recorded as 97K001801 recorded January 8, 1997.

EXHIBIT "B"

LEGAL DESCRIPTION OF ADDITIONAL REAL ESTATE

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