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CYPRESS PARK
DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS

ZION, ILLINOIS

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**CYPRESS PARK
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
ZION, ILLINOIS**

THIS DECLARATION is made this _____ day of June, 2006, by PULTE HOME CORPORATION, a Michigan corporation (hereinafter referred to as "**Declarant**").

RECITALS:

A. Declarant is the owner of certain real property located in the City of Zion, County of Lake, State of Illinois, which is more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference ("**Property**").

B. The Property shall be conveyed to third parties, subject to certain protective easements, restrictions, covenants, conditions, reservations, liens and charges as hereinafter set forth in this Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the Property described in **Exhibit A** hereto shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, reservations, liens and charges, which are for the purpose of protecting the value and desirability of the Property, and which shall run with the Property and be binding on and shall inure to the benefit of all parties having any right, title or interest in the described Property or any part thereof, including their heirs, successors and assigns.

ARTICLE 1.

DEFINITIONS

SECTION 1.1. "Additional Land" shall have the meaning ascribed to such term in Section 11.1.

SECTION 1.2. "Appearance Control Committee" shall have the meaning ascribed to such term in Article 9 hereof.

SECTION 1.3. "Articles of Incorporation" shall mean the Articles of Incorporation for the Association.

SECTION 1.4. "Assessments" shall mean collectively the Base Annual Assessments, Special Assessments and Capital Contributions and any other assessment or charge that the Association is authorized to levy under this Declaration.

SECTION 1.5. "Association" shall mean the Cypress Park Homeowners Association, an Illinois not-for-profit corporation, its successors and assigns.

SECTION 1.6. "Base Annual Assessments" shall have the meaning ascribed to such term in Section 5.2 hereof.

SECTION 1.7. "By-Laws" shall mean the By-Laws of the Association, a true and correct copy of which is attached hereto and incorporated herein by this referenced as **Exhibit B**.

SECTION 1.8. "Capital Contributions" shall have the meaning ascribed to such term in Section 5.4 hereof.

SECTION 1.9. "City" shall mean the City of Zion, Illinois.

SECTION 1.10. "Common Area" shall mean all real property and all improvements and fixtures thereto and all personal property owned by the Association for the common use and enjoyment of the Owners. Common Area includes, but is not limited to, the outlots designated as Common Area on **Exhibit A** attached hereto. Common Area may also be designated on any Plat of Subdivision of the Property or any amendments or supplements to this Declaration.

SECTION 1.11. "Declarant" shall mean and refer to Pulte Home Corporation, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from Declarant for the purpose of development.

SECTION 1.12. "Dedicated Right-of-Way" shall mean and refer to the public rights-of-way depicted on any Plat of Subdivision.

SECTION 1.13. "Lot" shall mean a plot of land upon which a detached single-family residence is constructed or to be constructed. A Lot shall be a subdivision lot created by the recording of a Plat of Subdivision.

SECTION 1.14. "Member" shall mean and refer to every person or entity who holds a membership in the Association, including Declarant and any beneficiary of a trust holding legal title to one or more Lots.

SECTION 1.15. "Owner" shall mean and refer to the record owner, whether one or more natural persons or entities, of fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of an obligation, such as secured lenders.

SECTION 1.16. "Park Site" shall mean and refer to any parcel of land within the Property that is intended to be dedicated to and maintained by the Zion Park District. The Park Site may be designated on any Plat of Subdivision of the Property. As of the date of this Declaration the Park Site is Outlot C as designated on the Plat of Subdivision.

SECTION 1.17. "Plat of Subdivision" shall mean a final plat of subdivision recorded against the Property, or any part thereof, with the Lake County Recorder of Deeds and any amended or additional plat of subdivision or re-subdivision expressly made subject to the terms of this Declaration by appropriate amendment hereto.

SECTION 1.18. "Property" shall mean and refer to that certain real property described on **Exhibit A**, attached hereto and incorporated herein by this reference, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by the written amendment of this Declaration, as provided under Section 11.1.

SECTION 1.19. "Special Assessments" shall have the meaning ascribed to such term in Section 5.3 hereof.

ARTICLE 2.

MEMBERSHIP IN THE ASSOCIATION

SECTION 2.1. Membership. Every Owner, including Declarant, shall be a Member of the Association, and each Owner, by acceptance of a deed for his Lot, covenants and agrees to be a Member of the Association, whether or not it shall be so expressed in any such deed or other conveyance. Ownership of a Lot shall be the sole qualification for membership, and there shall be only one (1) membership per Lot.

SECTION 2.2. Transfer of Membership. Membership held by any Owner of a Lot is an appurtenance to such Lot and shall not be transferred, alienated, or pledged in any way, except upon the sale or encumbrance of such Lot, and then only to the purchaser of such Lot. Any attempt to make such a transfer except by the sale or encumbrance of a Lot is hereby deemed to be null and void. Reference to the transfer of membership need not be made in an instrument of conveyance or encumbrance of such Lot for the transfer to be effective, and the same shall automatically pass with title to the Lot. Members are required to provide the Association written notification upon the transfer, alienation or sale of their Lot to a new Owner.

ARTICLE 3.

VOTING RIGHTS IN THE ASSOCIATION

SECTION 3.1. Membership Classes. The Association shall have two (2) classes of voting membership, as follows:

- (a) Class A: Class A Members shall be all Owners of Lots with the exception of Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required by Section 2.1 for membership, except that there shall be only one (1) vote per Lot.
- (b) Class B: Class B Member shall be Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required by Section 2.1 for membership. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earliest:

- (i) Ten (10) years from the date of this Declaration;
- (ii) One hundred twenty (120) days after the date by which seventy-five percent (75%) of the Lots have been conveyed by Declarant to Owners. For purposes of this Section 3.1(b)(ii), the foregoing 75% threshold shall be determined as follows: (x) if the Declarant has failed to start construction of any dwelling unit on a phase of the Additional Land that has not yet been annexed to the Property within the said 120 day period, then on the basis of only those Lots that have been submitted to this Declaration either as a part of the original Property or as Additional Land or as a phase thereof annexed to the Property, or (y) if Declarant has started construction of a dwelling unit on any Lot in a phase of the Additional Land that has not yet been annexed to the Property within such one hundred twenty (120) day period, then on the basis of the combined total of the Lots then comprising the Property and those contained in such phase of the Additional Land that is thereafter annexed to the Property. For purposes hereof, the term "started construction" shall mean the excavation of a building site on one Lot within the boundaries of a phase; or
- (iii) The date on which Declarant voluntarily withdraws as the Class B Member by executing and recording with the Recorder of Deeds of Lake County, Illinois, a written declaration of intent to withdraw, which shall become effective in the manner specified in such declaration of intent.

Anything contained in the Articles of Incorporation or the By-Laws of the Association notwithstanding, so long as Declarant is a Class B Member, it shall have the absolute right to appoint and remove any member of the Board of Directors and/or officers and agents of the Association.

SECTION 3.2. Exercise of Voting Rights among Co-Owners. When more than one (1) person holds an interest in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they determine among themselves and advise the Association's Secretary in writing prior to any such vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one (1) person seeks to exercise it. In no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE 4.

DUTIES AND POWERS OF THE ASSOCIATION

SECTION 4.1. General. The Association shall have the power and duty to

- (a) pay any real property taxes and other charges assessed against Common Area;

- (b) grant easements where necessary for public utilities over Common Area to serve Common Area or Lots;
- (c) adopt reasonable rules and regulations (including fines) for (i) controlling and limiting the use of Common Area or any improvements thereto, and (ii) supplementing the use restrictions contained in Article 8 or any other restrictions or provisions contained in this Declaration;
- (d) maintain such policy or policies of insurance, including, but not limited, to those described in Article 15, at all times as the Board of Directors deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members, officers and directors;
- (e) employ a manager or other persons and contract with independent contractors, managing agents, collection agents and others to perform and effectuate all or any part of the duties and powers of the Association, if deemed necessary by the Board of Directors;
- (f) enforce any easements or restrictions which may be set forth herein;
- (g) establish such reserves as may be required hereunder or as the Board of Directors shall from time to time deem necessary to fulfill and further the purposes of the Association;
- (h) provide written notice from time to time to the City of the mailing address of the Association; and
- (i) exercise any other right or powers given to the Association under this Declaration or under the Illinois Not-for-Profit Corporation Act.

SECTION 4.2. Maintenance of Common Area. The Association shall maintain, repair, and replace, all to the extent deemed by the Board of Directors to be beneficial and convenient, Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration or any supplement or amendment hereto, which shall include, but need not be limited to, the following:

- (a) Common Area and its elements, including but not limited to grass, trees, shrubs, plantings, and other landscaping and any landscape buffers located within Common Area, and lighting, gazebos and other structures and improvements located within or upon Common Area;
- (b) retention ponds, detention ponds and swales located on Common Area within the Property, together with any improvements thereto.
- (c) fences installed by the Declarant or by the Association on Common Area.

- (d) entryway signs and/or monuments identifying any portion of the Cypress Park development, whether located on Common Area or within any Dedicated Right-of-Way; and
- (e) landscaping located within any Dedicated Right-of-Way, including any islands and/or eyebrows of cul-de-sacs, within the Property.

SECTION 4.3. Maintenance of Natural Areas. Any portion of Common Area designated as "wetlands" on the Plat of Subdivision shall be maintained in their natural undisturbed condition and no man-made structure of any kind shall be constructed thereon, nor shall any grading be permitted on such areas, except for: a) detention ponds and stormwater management facilities, b) landscaping, c) fencing, d) signage or e) other improvements as may be in accordance with any engineering plans approved by the City or as may otherwise be approved or required by the City or other local, County or State authorities with appropriate jurisdiction. All natural vegetation shall be preserved and maintained and shall not be mowed, cultivated, sprayed or in any way disturbed without following the required procedures of the City.

SECTION 4.4. Watering. The Association shall have the right, but shall not be required, to water any grass, landscaping and plant materials located on Common Area or within any Dedicated Right-of-Way. All other watering on any Lot shall be provided by the Owner thereof.

SECTION 4.5. No Maintenance of Lots. The Association shall have no obligation to maintain Lots or the landscaping on such Lots or in the parkways adjacent to such Lots. However, if at any time the grass on a Lot or the adjacent parkway exceeds six (6) inches in height, the Association may (but shall not be required to) upon at least 24 hours notice enter onto such Lot and cut the grass and shall not be guilty of trespass. The expenditures incurred by the Association shall become the personal obligation of the Owner and a continuing lien on such Lot, recoverable with interest, costs and reasonable attorneys' fees in the same manner and to the same extent as provided under Section 5.1 and shall give rise to the remedies available to the Association provided in Section 5.11 and 5.12.

SECTION 4.6. Interim Maintenance of Park Site. Declarant reserves the right to convey the Park Site to the Association on an interim basis in the event of delay in acceptance thereof by the Zion Park District. In such event, the Association shall maintain the Park Site as if it were Common Area, and the costs of same shall be included in Common Area expenses payable by Base Annual Assessments. Notwithstanding the foregoing, in the event that Declarant conveys the Park Site to the Association, the Association shall be obligated to convey the Park Site to the Zion Park District when required, and the deed of conveyance from the Declarant to the Association for the Park Site may contain a covenant so providing. A power coupled with an interest is hereby reserved to Declarant, as attorney-in-fact of the Association and of the Owners of all Lots within the Property, to execute a deed of conveyance from the Association to the Zion Park District for the Park Site, and the giving of any deed, mortgage, or other instrument with respect to Common Area or any Lot, and acceptance thereof, shall be deemed a grant and acknowledgment of, and a consent to such power, of said attorney-in-fact.

SECTION 4.7. Failure of Association to Maintain, Repair or Replace. In the event the Association fails to maintain, repair or replace Common Area and any improvements thereto or any improvements located within Dedicated Right-of-Way that are the responsibility of the Association to maintain, the City may (but shall not be required to) effect such maintenance, repairs or replacements and the City shall be entitled to reimbursement in full from the Lot Owners for its costs, including reasonable attorneys' fees, incurred in connection therewith. Each Owner of a Lot within the Property acknowledges that the City has retained the right to create a so-called "dormant" Special Service Area for the Property, pursuant to which the City may levy special service area taxes against the Property to pay for costs incurred by the City in performing any and all obligations of the Association following the Association's default hereunder.

ARTICLE 5.

COVENANT FOR ASSESSMENTS

SECTION 5.1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed therefor or possession thereof (whether or not it shall be so expressed in any such deed or other conveyance), is deemed personally and individually to covenant and agree to pay to the Association the Assessments authorized under this Declaration. In addition, Declarant hereby covenants and agrees for each Lot owned by Declarant within the Property to pay to the Association the Assessments authorized under this Declaration, subject to the provisions set forth in Sections 5.7 and 5.8. All such Assessments shall be fixed, established and collected from time to time as provided in this Declaration. The Assessments, together with interest thereon, attorneys' fees 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 (and deficiency contributions, in the case of Declarant), together with such interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment falls due. This personal obligation shall pass to each Owner's successors in title accepting a deed to or assignment of beneficial interest in any trust holding title to an Owner's Lot.

SECTION 5.2. Base Annual Assessments. The Association is authorized to levy Base Annual Assessments equally against all Lots subject to assessment, which shall be paid by the Owners of all Lots within the Property, to fund common expenses for the general benefit of all Owners. Base Annual Assessments shall be used for the following purposes:

- (a) maintenance, repair, replacement and improvement of Common Area, and all landscaping or other improvements thereon, including without limitation any landscape buffers, retention ponds, detention ponds, swales, pathways and sidewalks, lighting, gazebos and other structures located thereon ;
- (b) maintenance, repair and replacement of any landscaping located within any Dedicated Right-of-Way that are the responsibility of the Association to maintain under the terms of this Declaration;

- (c) maintenance, repair and replacement of any landscaping located within any Dedicated Right-of-Way that are the responsibility of the City to maintain, to the extent such landscaping is not maintained, repaired or replaced by the City;
- (d) maintenance, repair and replacement of the Park Site following conveyance thereof to the Association, but only until conveyed to the Zion Park District;
- (e) payment of premiums on insurance maintained by the Association pursuant to this Declaration; and
- (f) to provide funds for the Association to carry on its duties or exercise its rights set forth herein or in its Articles of Incorporation or By-Laws or in the Illinois Not-For-Profit Corporation Act.

SECTION 5.3. Special Assessments. The Association is authorized to levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted, for the following purposes:

- (a) defraying in full or in part the cost of any construction, reconstruction, repair or replacement of any improvement on Common Area or any improvements which are the responsibility of the Association, including without limitation the necessary fixtures, personal property or landscaping located on or related to Common Area, and all landscaping or other improvements thereon; and
- (b) defraying in full or in part the cost of, and providing of funds to the Association, for carrying on any of its duties set forth in this Declaration or in its Articles of Incorporation or By-Laws or the Illinois Not-For-Profit Corporation Act.

Any Special Assessments shall have the assent of a majority of the votes of the Members that are subject to such Special Assessment voting in person or by proxy at a meeting duly called for such purpose, at which a quorum is present, written notice of which shall be sent to all such Members not less than five (5) days nor more than forty (40) days in advance of the meeting, setting forth the purpose of the meeting. Unless the Special Assessment specifies that it shall be applicable to a specified number of years, it shall be applicable only to the year enacted. In the event a Special Assessment is to be levied on less than all of the Lots located within the Property, such Special Assessment may, by the action described herein, be levied against only those Lots which benefit by such Special Assessment, in proportion to their benefit, and not against the other Lots in the Property.

SECTION 5.4. Capital Contributions. The Association is authorized to levy Capital Contributions against all Lots as provided herein. At the time of the initial sale of each Lot from Declarant to any Owner, such Owner shall pay to the Association a Capital Contribution, which shall be a sum equal to six (6) monthly payments of the Base Annual Assessment then in effect. The Capital Contributions shall be used by the Association to cover operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws. The Capital

Contributions for any Lot shall be levied only upon the sale by Declarant to an Owner and shall not be levied on any subsequent sales of the Lot.

SECTION 5.5. Reasonable Reserves. The Association shall establish and maintain from Base Annual Assessments collected hereunder reasonable reserves for the costs of the maintenance, repair and replacement of those items which are the responsibility of the Association. The Association may establish and maintain such other reasonable reserves as the Board of Directors deems necessary and convenient which are consistent with the powers and duties of the Association.

SECTION 5.6. Uniform Rate of Assessment. Base Annual Assessments must be fixed at a uniform rate for all Lots subject thereto. Base Annual Assessments may be collected on a quarterly basis or such other periodic basis as set by the Board of Directors.

SECTION 5.7. Assessment for Lots Owned by Declarant Notwithstanding the foregoing provisions, Base Annual Assessments and Special Assessments for any Lots while (i) owned by Declarant and improved with a completed residence, but unoccupied by any tenant of Declarant, or (ii) owned by any party but occupied by Declarant and used as a model or a sale office, shall be limited to 25% of the amounts fixed with respect to such type of Lots owned by Owners other than Declarant. Prior to the completion of a residence on any Lot, (which shall mean the issuance of a certificate of occupancy therefor by the City), such Lot shall be exempt from payment of any and all Assessments.

SECTION 5.8. Deficiency Contributions. For every calendar year during which Declarant remains a Class B Member of the Association, Declarant shall contribute to the Association all funds in excess of the budgeted and collected Assessments which shall be necessary to defray the costs properly paid or incurred by it for the purposes for which Base Annual Assessments may be collected. Declarant's contribution for the calendar year during which Declarant's Class B membership terminates shall be prorated to the date of such termination. For purposes hereof, the establishment of reserves pursuant to Section 5.5 does not constitute the payment or incurring of costs by the Association and Declarant's deficiency contribution shall not be required to be applied to the establishment of reserves.

SECTION 5.9. Date of Commencement of Annual Assessments; Due Dates. Base Annual Assessments provided for herein shall commence for any Lot within the Property, or any land annexed to the Property, on the day of the conveyance of the first Lot of such type in the Property and shall be prorated for the month of said conveyance. The Board of Directors shall fix the amount of such Assessments at least thirty (30) days in advance of each annual Assessment period, and in lieu thereof, the amount of each type of such Assessment for the prior year shall be the fixed amount. Written notice of any changed amount of the such Assessments shall be sent to every Owner subject thereto, but failure to do so shall not invalidate the changed Assessments. Base Annual Assessments shall be payable in quarterly installment or such other periodic basis set by the Board of Directors.

SECTION 5.10. Certificate of Payment. The Association shall, upon demand, furnish to any Owner liable for said Assessments, a certificate in writing signed by an officer of the Association, setting forth whether the Assessments on a specified Lot have been paid and the amount of the delinquency, if any. A reasonable charge may be made by the Board of Directors for the issuance of such certificates. Such certificates shall be conclusive evidence that any Assessment therein stated to have been paid has in fact been paid. No charge shall be made for issuing from time to time said certificates to Declarant on Lots then owned by Declarant.

SECTION 5.11. Delinquency in Payment of Assessments. Any Assessment provided for in this Declaration which is not paid when due, shall be delinquent. With respect to each Assessment not paid within fifteen (15) days after its due date, the Association may, at its election, require the Owner to pay a "late charge" in a sum to be determined by the Association and applied uniformly. If any such Assessment is not paid within thirty (30) days after the delinquency date, the Assessment shall bear interest from the date of delinquency at the highest rate permitted by Illinois law, and the Association may, at its option, bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien (provided for in Section 5.1 hereof) against the Lot, and there shall be added to the amount of such Assessment the late charge, the costs of preparing and filing a Complaint in such action and reasonable attorneys' fees, and in the event a judgment is obtained, such judgment shall include all Assessments accrued from date of suit to judgment, increased by such late charges, costs and fees, plus interest. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosures against such Owner for the collection of such delinquent assessments

SECTION 5.12. Suspension of Voting Rights Due to Unpaid Assessments. The Association is authorized to suspend the voting rights of an Owner for any period during which any Assessment against such Owner's Lot remains unpaid and delinquent, and for a period not to exceed thirty (30) days for any single infraction of the published rules and regulations of the Association, provided that any suspension of such voting rights, except for failure to pay Assessments, shall be made only by the Association or a duly appointed committee thereof, after notice and hearing given and held in accordance with the By-Laws or rules and regulations of the Association. The foregoing shall not apply to unfunded deficiency contributions of the Declarant under Section 5.8.

SECTION 5.13. Waiver of Use. No Member may exempt himself from personal liability for Assessments duly levied by the Association nor release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of Common Area or by abandonment of his Lot.

SECTION 5.14. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage or trust deed. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to the foreclosure of a mortgage or trust deed or any proceeding or deed in lieu thereof shall extinguish the lien of such Assessments as to payments which become due prior to such

sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

ARTICLE 6.

PROPERTY RIGHTS

SECTION 6.1. Members' Easements over Common Area. Every Member shall have a right and easement for ingress and egress over and across, and for use of and enjoyment in and to, Common Area and the improvements thereon, and such easements shall be appurtenant to and shall pass with the title to every Lot. 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 said parcels as fully and completely as though said easements and covenants were fully recited and set forth in their entirety in such documents. Said right of easement for ingress and egress over and across, and of enjoyment in and to, Common Area and improvements located thereon shall be subject to the following provisions:

- (a) The right of the Association, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purposes of improving or reconstructing Common Area and improvements thereto and in aid thereof to mortgage said Common Area (or a portion thereof).
- (b) The right of the Association to declare or grant easements and licenses and to dedicate or transfer all or any part of Common Area to any public agency, authority, or public or private utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been recorded, signed by the Association and authorized by the assent of at least sixty-seven percent (67%) or more of the votes of each class of Members present in person or by proxy and entitled to vote at a meeting duly called for such purpose at which a quorum is present, written notice of which is mailed to all Members not less than five (5) days nor more than forty (40) days in advance of the meeting, setting forth the purposes of the meeting.
- (c) The right of the Association to establish uniform rules and regulations (including fines) pertaining to the use of Common Area; provided, however, that the Association shall not limit or prohibit the public use of pathways located within the Property.
- (d) The right of the Association to suspend an Owner's right to use any improvements located within Common Area (i) for any period during which any charge against such Owner's Lot remains delinquent; and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing

violation, of this Declaration or the rules and regulations of the Association after written notice thereof.

- (e) The right of Declarant and its designees (and their respective sales agents and representatives) to (1) non-exclusive use of Common Area (as may be amended by annexation from time to time) in connection with the sale of residential units within the Property (including any of the Additional Land annexed thereto); and (2) the use of any improved residence on any of the Lots as a sales office until the last Lot within the Property is improved with a residence and conveyed to a third party purchaser.
- (f) Such other rights as are reserved or created by this Declaration.

SECTION 6.2. Delegation of Use. Any Member may delegate in accordance with the By-Laws of the Association, such Member's right of enjoyment to Common Area and the improvements located thereon to the members of his family, and the occupants residing on such Member's Lot.

SECTION 6.3. Association's Access to Lots. The Association and its respective agents, employees and independent contractors shall have the right and license to enter upon any Lot to the extent necessary to exercise any right or responsibility of the Association as set forth in this Declaration, as to the Lot or the dwelling unit or other improvements situated thereon, or to the extent necessary to enforce any covenants or restrictions set forth herein and shall not be guilty of trespass.

SECTION 6.4. Title to Common Area. Declarant covenants for itself, its successors and assigns, that it will convey or cause to be conveyed fee simple title to Common Area to the Association within thirty (30) days after the date of this Declaration, subject to:

- (a) Covenants, conditions and restrictions then of record;
- (b) The terms of this Declaration;
- (c) Zoning ordinances, development agreements and annexation agreements of record;
- (d) Current real estate taxes, not yet due and payable (for which Declarant shall pay or make arrangements to pay its pro rata share);
- (e) Utility easements granted or to be granted for sewer, water, gas, electricity, telephone, cable television and any other necessary utilities;
- (f) Reservation of easement for ingress and egress; and,
- (g) Easements granted or to be granted for the construction, maintenance, repair and use of improvements to be located on Common Area.

When lands annexed from time to time, pursuant to Article 11 of this Declaration, contain land to be designated as Common Area, said Common Area shall similarly be conveyed by Declarant or the legal title holder thereof to the Association prior to the conveyance by Declarant or such legal title holder to an Owner of the first Lot in the lands then annexed.

ARTICLE 7.

EASEMENTS

SECTION 7.1. Utility Easements. Declarant hereby reserves unto itself, its successors, assigns and designees, the right (i) to create, declare and grant over, above, under and across Common Area or the Lots, at any time before or after conveyance, non-exclusive perpetual utility easements and (ii) to utilize any easement created by any Plat of Subdivision or other instruments, for the installation, construction, improvement or removal or reconstruction, replacement, substitution, and maintenance of sewer (storm and sanitary), water, gas, electricity, cable television, telephone and any other utilities as may be necessary in Declarant's sole judgment to develop, service and maintain the Property. The aforesaid easements shall include reasonable rights of ingress and egress. Furthermore, Declarant hereby declares and reserves for the benefit of all Owners, the Association, and the various public utility companies a non-exclusive public utility easement over, above and under Common Area, and those portions of Lots on which no homes are constructed, for the installation, construction, improvement, removal, reconstruction, replacement and substitution of underground service lines, wires, cables, conduits, terminals, manholes and other fixtures as the beneficiaries of the easement may from time to time require for any sewer (storm and sanitary), water, gas, electricity, cable television, telephone and other utilities which may serve the homes constructed on the Property, or other adjacent properties. It shall be the obligation of any party exercising the easement to restore any areas disturbed by the exercise of the easement in the manner and to the extent set forth in the provisions contained in the Plats of Subdivision for the Property relating to the exercise of easements.

SECTION 7.2. Ownership of Utility Lines. Declarant shall initially own all storm sewers, sanitary sewers, and water lines when situated in, over, under, along or across Common Area or easement areas designated for the installation and maintenance of such lines to the extent the same are not initially dedicated to the City, Lake County, any public utility or any governmental or quasi-governmental authority, and Declarant shall have the right (but not the obligation) of maintenance, replacement, repair or removal thereof and reasonable access thereto. Declarant may transfer title to said storm sewers, sanitary sewers and water lines and Declarant's rights of maintenance, replacement, repair and removal thereof to any assignee deemed beneficial or appropriate by Declarant (including the Association, the City, Lake County, any public utility, or any governmental or quasi-governmental authority), which transfer and assignment shall be effectuated by a bill of sale or other appropriate writing. In the absence of such a transfer prior to the completion of the sale of all of the Lots by Declarant to Owners purchasing the same, the transfer shall be deemed to have been made to the Association upon the closing of the sale of the last Lot to an Owner, without further action or documentation.

SECTION 7.3. Reservation of Easements for Declarant's Benefit. Anything contained in this Declaration to the contrary notwithstanding, Declarant hereby reserves for itself, its agents, employees, contractors, sub-contractors, workmen, materialmen, invitees and any successor builders an easement under, over and across Common Area for the purposes of constructing, completing, repairing, maintaining, inspecting, exhibiting and selling any Lots or dwelling units then owned by Declarant or any such successor builders.

SECTION 7.4. Easements for Installation, Maintenance and Repair of Common Area. Declarant hereby reserves unto itself, its successors, assigns, and designees, and to the Association, the right and easement to come onto the Lots or Common Area for purposes of building, installing, maintaining, repairing, replacing and improving Common Area and any improvement located thereon or within any Dedicated Right-of-Way.

SECTION 7.5. Stormwater Management Easements. A non-exclusive easement for stormwater management purposes is hereby granted to the City, its successors and assigns, over, across, upon and through those portions of Lots and Common Area within the Property that are marked on the Plat of Subdivision as "Easement for Stormwater Management" or "Public Utility & Drainage Easement", such easement to include (i) the right to cut, trim or remove trees, bushes and roots as may be reasonably required incident to the right herein given; and (ii) the right to enter upon the property for all such purposes if deemed appropriate by the City. Obstructions shall not be placed within such stormwater easement areas. The Plat of Subdivision or engineering drawings approved by the City may contain specific requirements or restrictions for these stormwater areas within designated portions of the Common Area, which shall be followed at all times.

SECTION 7.6. Rights to Reserve or Grant Specific Easements for Lots and Common Area. Declarant shall have the right to grant or reserve particular specific non-exclusive easements on any portion of any Lot (except portions occupied by dwellings) or on Common Area for the installation, maintenance and repair of improvements to the Lots or Common Area by Declarant, its successors, assigns or designees or by the Association. Such easements may be created over Lots after such Lots are conveyed to Owners only if (i) such areas are designated as such by a Plat of Subdivision, a deed, a declaration of easement or a grant of easement executed and recorded by Declarant with the Recorder of Deeds of Lake County, Illinois, (ii) construction of such improvement has commenced prior to conveyance of such Lot or Common Area, or (iii) such easement is necessary to correct errors in engineering plans. Such easements may be created over Common Area at any time, even after it has been conveyed to the Association. Failure to so grant or reserve any particular specific easement as provided herein shall not invalidate or adversely affect the easements reserved under Section 7.4.

SECTION 7.7. Power Coupled with an Interest. In furtherance of Declarant's rights to create easements pursuant to Section 7.6 above, a power coupled with an interest is hereby reserved to Declarant, as attorney-in-fact of the Association and of the Owners of all Lots within the Property, to grant or reserve such easements, and the giving of any deed, mortgage, or other instrument with respect to Common Area or any Lot, and acceptance thereof, shall be deemed a grant and acknowledgment of and a consent to such power of said attorney-in-fact.

ARTICLE 8.

USE RESTRICTIONS

SECTION 8.1. Residential Use. The Property is hereby restricted to residential dwellings, and ancillary and accessory uses and buildings in connection therewith, subject to the provisions of Section 8.2 and except for model homes and sales offices which may be operated by Declarant or its designees during the construction or sales period. All buildings or structures erected on the Property shall be of new construction and no buildings or structures shall be moved from other locations to the Property and no subsequent buildings or structures other than single family detached homes shall be built on any Lot. No building or structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuilding shall be placed on or used on any Lot at any time as a residence either temporarily or permanently

SECTION 8.2. Restrictions on Commercial Activities. No commercial activities of any kind shall be conducted in any building or in any portion of the Property; provided, however, that an Owner may operate a home-based business on his Lot, but only if (i) the existence or operation of the commercial activity is not apparent or detectable by sight, sound, or smell from outside the Owner's Unit located on the Lot, (ii) the commercial activity is not prohibited by the ordinances or regulations of the City and is conducted in compliance with the City's zoning ordinances, (iii) no motor vehicle with business markings is stored or parked on the Lot, except within the garages, with the garage door shut during periods of storage, and (iv) the commercial activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Property which is noticeably greater than that which is typical of residences within the Property in which no such activity is being conducted. The foregoing restrictions shall not apply to the commercial activities of Declarant or its designees, or the use or operation of sales offices or model units on any Lots by Declarant or its designees during the construction and sales period or by the Association in furtherance of its powers and purposes set forth hereinafter and in its Articles of Incorporation, By-Laws and Rules and Regulations, as the same may be amended from time to time.

SECTION 8.3. Prohibition of Commercial Vehicles, Buses, Trucks, Limousines, Boats, Trailers and Recreational Vehicles on Lots. No commercial vehicles, buses, trucks (except pickup trucks that are used as a principal personal vehicle by the Owner), limousines, boats, trailers, or recreational vehicles shall be parked or stored on the Lots, except for those which are stored within a garage constructed on a Lot, with the garage door shut during periods of storage.

SECTION 8.4. Gauges; Storage of Cars. The Owner of any Lot shall keep the garage door of his residence shut at all times when it is not in use. No Owner shall park or store vehicles on public streets or on driveways within his Lot if there is capacity for storage of such vehicles in the garage on his Lot. No Owner shall utilize the space within his garage for purposes which adversely affect or limit the storage of vehicles therein to meet the designed capacity of such garage.

SECTION 8.5. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot except for dogs, cats and other common animals kept as household pets, but not for breeding purposes. The owner of any pet shall immediately remove any bodily waste deposited by its pet on any Lot, Common Area, parkways, cul-de-sac islands or dedicated streets.

SECTION 8.6. Limitations on Signs. No “for sale” or “for rent” or brokers signs shall be erected, placed, or permitted in the yard of any Lot, and any such sign as may be located other than in the yard shall not be more than five (5) square feet. No advertising signs, billboards, or objects of unsightly appearance or nuisances shall be erected, placed or permitted to remain on any portion of any Lot. The foregoing restrictions shall not apply to the signs and billboards, if any, of Declarant or its designees.

SECTION 8.7. Prohibition of Nuisances. No Lot shall be used in any way or for any purpose which may endanger the health or unreasonably disturb the residents of the Property.

SECTION 8.8. Prohibition of Clotheslines, Gazebos, Storage Sheds, Doghouses or Dog Runs. There shall be no clotheslines, gazebos, service sheds, storage sheds, doghouses or dog runs constructed or placed on any Lot within the Property.

SECTION 8.9. Limitations on Fences. Any fences installed by an Owner on his or her Lot must comply with the design specifications set forth on **Exhibit C** attached hereto.

SECTION 8.10. Prohibition of Above Ground Swimming Pools. No above ground swimming pools shall be installed on any Lot within the Property.

SECTION 8.11. Screening of Outdoor Hot Tubs. Installation of outdoor hot tubs shall be subject to the review and approval of the Appearance Control Committee to ensure that they are screened from view from public streets or neighboring Lots through installation of appropriate and sufficient fencing or landscaping.

SECTION 8.12. Prohibition of Window Air Conditioners or Window Fans. No window air conditioners or window fans shall be placed in any home constructed on the Property.

SECTION 8.13. Trash Removal. All rubbish, trash and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Each Owner shall be responsible for trash removal from his Lot. There shall be no trash piles or storage piles on the Property. The foregoing restrictions on trash piles and storage piles shall not apply to the activities of Declarant, its designees and those working for or on behalf of Declarant during the

construction and sales period. All rubbish, trash and garbage shall be stored within the garage on the rear of the Lot in trash cans with sealed lids.

SECTION 8.14. Restrictions on Changes or Improvements; Prohibition of Changes of Exterior Colors.

- (a) No awnings shall be constructed or added to any home. Any other additions, changes or improvements to any home surfaces or any part thereof (including roofs, siding, doors, storm doors, windows or trim), the placement of any patios or decks on the Lot by any Owner other than Declarant will be allowed only with the approval of the Appearance Control Committee, as provided under Article 9. The Committee shall have discretion to approve placement of decks that encroach upon rear yard set-backs as designated on any Plat of Subdivision. All improvements which require a permit from the City will only be approved subject to the issuance of such permit.
- (b) No changes shall be made to the exterior colors provided by Declarant on the initial construction of any home. Any repainting or restaining of any building or any part thereof on a Lot or the replacement of any building or any part thereof on a Lot shall be with the same colors as were provided by Declarant on initial construction.

SECTION 8.15. Restrictions on Radio and TV Receiver Installations. The Board of Directors shall have discretion, to be exercised through the adoption of an appropriate rule or rules, to specify, limit or prohibit the type, size, color, number and/or placement of radio, television and other telecommunications receiver installations on any Lot within the Property and to enact regulations regarding such installations, all to the extent the Board of Directors deems beneficial and convenient; provided, however, that any such rule or rules adopted by the Board of Directors shall (i) be enforced against Owners in a non-discriminatory manner and (ii) comply with the terms and conditions of applicable federal, state or local laws, ordinances, rules or regulations, as same may be amended from time to time. Notwithstanding the foregoing, no such installations by any Owner shall be permitted upon any portion of Common Area without the prior written consent of the Association, which may be withheld in its discretion (to be exercised in accordance with applicable law as aforesaid).

SECTION 8.16. Prohibition of Derricks, etc. No derrick or other structure designed for use in boring, mining, or quarrying for oil or natural gas, precious minerals, shall be erected, maintained or permitted upon any Lot in the Property, provided that nothing in this Declaration shall be construed to restrict a public utility from erecting, maintaining, and operating upon any Lot owned by it within the Property, a well, housing, and equipment for the purpose of extracting from the sub-surface and/or the treatment, storage and distribution of water through the system of such public utility.

SECTION 8.17. Clearance of Utilities. The Owner of a Lot, and not the Association, shall be responsible for the clearance and relocation of any utilities that must be made in connection with the installation of any improvements by the Owner on his Lot.

SECTION 8.18. Maintenance of Easement Areas. Easements for installation and maintenance of the utilities, sewer pipelines and facilities and drainage facilities over each of the Lots, and in Common Area, are reserved as shown on the recorded Plat of Subdivision or as created in accordance with this Declaration or any amendments hereof. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction in the flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Sump pumps, gravity drains and other drains serving the residence constructed on any Lot shall not outfall or empty into grass swales between Lots, but only into a storm sewer, a storm water service line or an underground drain pipe connecting to a storm sewer included in the storm drainage system for the Property; provided, however, that sump pumps, gravity drains and other drains serving Lots which are adjacent to a detention pond located with Common Area may outfall and empty through underground drain pipes directly into said adjacent detention pond at a level not higher than the normal pool elevation of such detention pond. All such easement areas located on a Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, a private or public utility company or the Association is responsible.

SECTION 8.19. Leases of Lots. Any Owner may lease his Lot, but no lease may be for a period of less than thirty (30) days. All leases must be made expressly subject to the terms of this Declaration. In the event any Owner leases his Lot, he shall at all times keep the Association advised in writing of the address of his own current residence and any changes thereto, and of the name(s) of his tenant(s). Notwithstanding the foregoing, Declarant and its successors and assigns shall have the right to rent any or all units located on Lots owned by Declarant.

SECTION 8.20. Limitation on Number of Lots Owned by One Owner. No Owner may own more than three (3) Lots within the Property at any one time, except that this limitation shall not apply to Declarant or to a mortgagee who has foreclosed on a mortgage or who has accepted a deed in lieu of foreclosure with respect to Lots.

SECTION 8.21. Right of Abatement, Correction or Removal. In addition to other rights and remedies that may be available to the Association, as provided in this Declaration, or as may otherwise be available to the Association, in the event any Owner shall violate or suffer on his Lot the violation of any of the Use Restrictions contained in this Article 8 or any rules or regulations adopted by the Association to supplement the Use Restrictions, as provided in Section 8.1, the authorized agents of the Association, upon an affirmative vote taken by the Board of Directors, may enter upon the Lot with no further notice than that provided by the recording of this Declaration, and may (but shall not be required to) abate, correct or remove such violation and the cost of such abatement, correction or removal shall be paid by the Owner, and if unpaid, shall constitute a lien against the Lot, enforceable in the manner provided in

Sections 5.11 and 5.12 hereof. In such event, neither the Association, its Board of Directors, or the authorized agents of the Association shall be guilty of trespass or held liable for damages.

ARTICLE 9.

APPEARANCE CONTROL COMMITTEE

SECTION 9.1. Creation of Appearance Control Committee. There is hereby created an Appearance Control Committee (the “**Committee**”), which shall consist of three (3) members designated and replaced from time to time by Declarant or by the Board of Directors as provided in this Section 9.1. Declarant is hereby authorized to designate and replace members of the Committee until such time as the last Lot of the Property is developed with a home and is sold to a third party purchaser, and said power and duty of Declarant to designate and replace members of the Committee shall cease at the time the last Lot of the Property is developed with a home and is sold to a third party purchaser. Thereafter, such powers and duties shall be vested in the Board of Directors of the Association or in a committee duly appointed by such Board of Directors. No member of the Committee, nor its designated representative, shall be entitled to any compensation for such services performed pursuant to this covenant.

SECTION 9.2. Review and Approval of Plans. No structure, improvement or addition (including, but not limited to, decks, patios, in-ground pools, and storm doors) shall be erected, placed or altered on any Lot within the Property (except as are installed or approved by Declarant in connection with the initial construction of the dwelling and other improvements on the Lot) until the building plans, specifications and plot plan showing the location and proposed erection, placement or alteration of any such structure, improvement or addition has been approved in writing by the Committee as to conformity of external design and harmony with existing structures on the Property and as to location with respect to topography and finished ground elevation. The Committee shall notify an applicant of such approval or disapproval of its action within thirty (30) days after said building plans and specifications, plot plan, description have been submitted to the Committee; or, in the event the Committee does not disapprove of the building plans, specifications and plot plan as submitted, within said 30 day period, and (i) no suit to enjoin the erection, placement or alteration of such structure, or other improvement or addition, or to require the removal thereof has been commenced prior to the completion thereof, or (ii) no removal thereof has been undertaken by the authorized agents of the Association, as provided for herein, such approval will not be required, and this covenant shall be deemed to have been fully complied with.

SECTION 9.3. Design Standards The following design standards shall apply to construction and improvements on the Lots:

- (a) Architectural Styles. The following architectural styles for single-family homes shall not be permitted: raised ranches, tri-levels, or A-frames.
- (b) Shingles. The following shingles will be allowed: architectural shingles, cedar shake shingles, cedar shingles, slate, or other materials by the Developer.

- (c) Windows. All homes constructed shall have windows on each of the four (4) sides of the structure.
- (d) Garages. Every single-family home shall have at least a two-car attached garage.
- (e) Detached Buildings. No detached accessory buildings, including, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot.
- (f) Anti-Monotony Standard. An anti-monotony standard for building styles, color, and building materials has been established for the single-family home construction and is outlined in **Exhibit D**, attached hereto and made a part thereof.
- (g) Driveway. No building shall be erected or permitted on any Lot unless in conjunction therewith there is constructed a driveway that is paved with a hard permanent surface. Gravel products are not considered hard permanent surface.
- (h) Minimum Size. The minimum size of a house that may be constructed on the Lots shall be 1500 square feet for a one-story home and 2000 square feet for a two-story home, exclusive of the garage.

SECTION 9.4. Enforcement. In the event any such structure, improvement, or addition are erected, placed or altered on any Lot in violation of the provisions of this Article 9, the authorized agents of the Association, upon an affirmative vote taken by the Board of Directors, may enter onto such Lot with no further notice than that provided by the recording of this Declaration and may (but shall not be required to) remove the same and the costs of removal shall be paid by the Owner, and if unpaid, shall constitute a lien against the Lot as provided in Section 5.1 and shall give rise to the remedies available to the Association provided in Sections 5.11 and 5.12. In such event, neither the Association, its Board of Directors, or the authorized agents of the Association shall be guilty of trespass or held liable for damages. In the event suit is filed or in the event the Association takes other actions to enforce this Declaration with respect to such structure, improvement or addition, including removal thereof by the authorized agents of the Association, the Owner shall be responsible for attorneys' fees and costs incurred by the Association, as provided in Section 16.1 hereof.

ARTICLE 10.

OWNER'S OBLIGATION TO MAINTAIN

SECTION 10.1. Covenant to Maintain. Each Owner, his heirs, successors and assigns, hereby covenants and agrees at all times to maintain his Lot, and the residence constructed thereon, in a neat and proper condition and to perform all necessary repairs thereto. The foregoing shall include the duty of each Owner to water the landscaping on such Owner's Lot, as provided in Section 4.4. The Owner of each Lot shall be solely responsible for all repair and

replacement of lawn, plants, shrubs and other landscaping, which were damaged or died due to the failure of the Owner to adequately water his Lot.

SECTION 10.2. Enforcement of Owner's Maintenance Obligations. If any Owner fails to perform his obligations hereunder, the Association may, but shall not be required to, perform such obligations (including repair and replacement of landscaping and plant materials), and shall not thereby be deemed guilty of trespass. The Association shall be entitled to reimbursement in full from the Owner for its costs of every kind incurred in connection therewith, and any such expenditures incurred by the Association shall become the personal obligation of the Owner and a continuing lien on the Lot, recoverable with interest, costs and reasonable attorneys' fees in the same manner and to the same extent as provided under Section 5.1 and shall give rise to the remedies available to the Association provided in Sections 5.11 and 5.12.

ARTICLE 11.

ANNEXATION OF ADDITIONAL LAND

SECTION 11.1. Annexation by Declarant. Declarant may, without the consent or approval of the Association, any Members or any Owners, annex to the Property all or part of the Additional Land legally described on **Exhibit E**, attached hereto and incorporated herein by this reference, or any real estate contiguous thereto or contiguous to the Property (collectively, the "**Additional Land**") from time to time, by a written instrument signed by Declarant and recorded with the Office of the Recorder of Lake County, Illinois. Should Declarant develop land within the Additional Land within ten (10) years after the date of this Declaration, such portion of the Additional Land may be annexed to the Property and made subject to this Declaration without the assent of the Class A Members. Such Additional Land, or portions thereof, may be annexed in separate phases and shall be considered annexed to said Property and subjected to the provisions of this Declaration if within such ten (10) year period Declarant executes and records an amendment or supplement to this Declaration with the Office of the Recorder of Lake County, Illinois, describing the portion to be annexed to said Property and legally and specifically making said Additional Land, or portion thereof, subject to this Declaration. Any such Amendment or Supplementary Declaration shall designate Lots and/or Common Area and shall also update **Exhibit A** hereto, if necessary. In improving or causing the improvement of any additional phases(s), Declarant shall keep the Property, subject to this Declaration, free of any liens or claims for liens for labor or materials provided in such improvements, pursuant to the Illinois mechanics' lien laws.

SECTION 11.2. Annexation by the Members. Annexation of any additional real estate to the Property other than property within the Additional Land, shall require the recording with the Office of the Recorder of Lake County, Illinois of an instrument signed by the Association with the assent of not less than sixty-seven percent (67%) of the votes of Members present in person or by written proxy at a meeting duly called for this purpose, at which a quorum is present, written notice of which shall be sent to all Members not less than five (5) days and not more than forty (40) days in advance of the meeting setting forth the purpose of the meeting.

SECTION 11.3. Annexation Limited to Lots and Common Area . No real estate may be annexed to the Property other than real estate that will fall within the definition of "Lots" or "Common Area", as set forth in Article 1 hereof.

ARTICLE 12.

AVAILABILITY OF RECORDS

Any Owner or first mortgagee of any Lot shall be entitled, upon reasonable request, to receive for inspection from the Association current copies of the Declaration, Articles of Incorporation, By-Laws, records and financial statements of the Association. Furthermore, any holder of a mortgage given on any Lot within the Property and any phases annexed thereto, shall be entitled to receive from the Association, without cost, a copy of the Association's financial statement, if any, and if any mortgagee shall so request in writing prior to the preparation of the annual financial statement of the Association, such financial statement shall be audited.

ARTICLE 13.

RIGHTS OF FIRST MORTGAGEES

Upon written request, any first mortgagee of a Lot shall be entitled to and shall receive from the Association notices of any of the following as shall be requested:

- (a) Any condemnation loss or casualty loss which affects a material portion of the Property and any phases annexed thereto or the Lot on which its mortgage is held;
- (b) Delinquency of assessments which remain uncured for a period of sixty (60) days or more;
- (c) Any lapse, cancellation, or modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any restoration or repair of the Property and any phases annexed thereto after partial condemnation or damage; and
- (e) Any termination of the legal status of the Property and any phases annexed thereto.

Any termination of legal status as provided in Subsection (e) above, shall require the consent of the holders of the mortgages on at least fifty-one percent (51%) of the Lots contained in the Property and any phases annexed thereto at the time thereof.

ARTICLE 14.

MUNICIPAL ORDINANCES PREVAIL.

None of the covenants, conditions, restrictions or provisions of this Declaration are intended to supersede or prevail over the ordinances of general applicability of the City, and in the event of any conflict, the applicable ordinances of the City shall supersede and prevail over the covenants, conditions, restrictions and provisions of this Declaration. However, no ordinance of the City controlling or regulating any act that is expressly limited, controlled or prohibited by the covenants of this Declaration shall operate to authorize or permit such act. The Association shall comply with all City ordinances and shall seek all necessary approvals and permits from the City and other applicable governmental entities for activities it undertakes within Common Area and Lots.

ARTICLE 15.

INSURANCE

SECTION 15.1. Casualty Insurance for Single Family Homes. Each Owner shall maintain at his own cost and expense such insurance coverage as he may desire with respect to (i) personal liability for acts and occurrences upon his Lot and within his dwelling unit, (ii) physical damage losses for personal property and the contents of his dwelling unit, (iii) physical damage losses for any improvements, additions or betterments installed either by a person or entity, (iv) physical damage loss for any improvements on a Lot, and (v) any special flood hazard insurance as may be required by the first mortgagee of any Lot. The Association shall have no responsibility to maintain such insurance.

SECTION 15.2. Casualty Insurance for Common Area. The Association shall obtain and maintain a policy or policies of insurance with respect to the damage or destruction of Common Area, any improvements located thereon and to any other tangible assets of the Association, including coverage against damage or destruction by the perils of fire, lightning and those perils contained in an all risk form, and such other perils as the Board of Directors of the Association from time to time may determine should be included in such coverage, in an amount equal to one hundred percent (100%) of the insurable replacement cost thereof, without depreciation and with an agreed amount provision. Such insurance shall name as the insured, and the proceeds thereof shall be payable to the Association, as trustee. The proceeds of such insurance shall be made available, as the Board of Directors of the Association shall reasonably determine, for the repair, reconstruction, and restoration of such portions of Common Area and other insured items subject to the rights of the first mortgagees. To the extent feasible, all such policies of insurance shall (i) provide that the insurance shall not be invalidated by the act or neglect of Declarant, the Association, its Board of Directors, its officers, any Owner or occupant, or any agent, employee, guest or invitee of any of them, and (ii) shall contain an endorsement that such policies shall not be canceled without at least thirty (30) days' prior written notice to the Association, the Owners, and all first mortgagees of the Lots.

SECTION 15.3. Liability Insurance Maintained by the Association. The Association shall obtain and maintain a policy or policies of comprehensive general liability insurance insuring on a claims-made basis the Association, its directors, officers, the Owners, and their agents and employees against claims for personal injury, including death and property damage, arising out of any occurrence in connection with the ownership, occupancy, use, supervision, operation, repair, maintenance or restoration of Common Area, any improvements located thereon and to any other tangible assets of the Association, or in connection with any act or omission of or on behalf of the Association, its Board of Directors, agents or employees within the Property. Such policies shall be in the amount of One Million Dollars (\$1,000,000) for bodily injury, including death, and property damage arising out of a single occurrence, and shall contain a provision that they may not be canceled without at least thirty (30) days' prior written notice to the Association, the Owners, and the first mortgagees of the Lots.

SECTION 15.4. Workmen's Compensation and Fidelity Insurance; Other Insurance. The Association shall obtain and maintain a policy or policies of insurance with reputable insurance carriers providing the following coverage:

- (a) Workers' compensation and employers' liability insurance in such form and in such amounts as may be necessary to comply with applicable laws;
- (b) Fidelity insurance or bonds in reasonable amounts for all officers and employees having fiscal responsibilities, naming the Association as obligee; and
- (c) Such other insurance in such limits and for such purpose as the Association may, from time to time, deem reasonable and appropriate.

SECTION 15.5. Waiver of Subrogation. To the extent feasible, all policies of insurance obtained by the Association shall contain provisions that no act or omission of any named insured shall affect or limit the obligation of the insurance company to pay the amounts of any loss sustained. So long as the policies of insurance provided for herein shall state that a mutual release as provided for in this Section shall not affect the right of recovery thereunder, and further provide coverage for the matters for which the release herein is given, all named insureds and all parties claiming under them shall, and do by these presents, mutually release and discharge each other from all claims and liabilities arising from or caused by any hazard or source covered by any insurance procured by the Association, regardless of the cause of damage or loss.

SECTION 15.6. Insurance Premium Expense. The expense of insurance premiums paid by the Association under this Article shall be an expense of the Association to which the assessments collected by the Association from the Owners shall be applied.

ARTICLE 16.

GENERAL PROVISIONS

SECTION 16.1. Enforcement. Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, liens and charges now or hereafter imposed by the provisions of the Declaration. Failure by Declarant, 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. Breach of any of the covenants shall not defeat or render invalid the lien of any mortgage or trust deed made in good faith and for value as to said Lots or property, or any parts thereof, but such provisions, restrictions or covenants shall be binding and effective against any owner of said property whose title thereto is acquired by foreclosure, trustee's sale or otherwise. The Association shall be entitled to recover from any Owner against which it initiates enforcement, reasonable attorneys' fees and costs expended by the Association in any enforcement proceedings, and any judgment obtained by the Association in any enforcement proceedings shall include such fees and costs. In addition, such fees and costs incurred by the Association against an Owner, whether or not proceedings are initiated, shall constitute a lien against his Lot which may be recovered in the manner provided in Section 5.1 hereof.

SECTION 16.2. Severability. Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

SECTION 16.3. Covenants Run with the Land. 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 Declarant, the Association, or the Owner of any Lot subject to this Declaration, and their respective legal representatives, heirs, successors, and assigns for a period of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

SECTION 16.4. Amendment. This Declaration may be amended by an instrument signed by Owners comprising not less than sixty-seven percent (67%) of the total votes collectively held by all classes of Members with the written consent of mortgagees holding at least fifty-one percent (51%) of the outstanding mortgages on the Property. Any amendment that affects the rights and obligations of the City as set forth in this Declaration must be consented to in writing by the City. Any such amendment that has the effect of (i) terminating this Declaration or (ii) terminating the legal status of the Association shall require the written consent of mortgagees holding at least sixty-seven percent (67%) of the outstanding mortgages on the Property and any phases annexed thereto. Notwithstanding the foregoing, in the event Declarant desires to amend this Declaration: (x) to correct a technical or typographical error or to clarify any provisions herein which are otherwise vague, (y) for the sole purpose of causing this Declaration to comply with rules, regulation or guidelines as may be required by either the Federal Housing Authority (FHA) or the Veterans Administration (VA) to enable the sales of Lots from the Property to qualify for the insurance by either such agency of end mortgage loans

made to Owners of such Lots, or as may be required to conform to the published manuals or guidelines of any governmental, quasi-governmental or private agency engaged in the business of the purchase of mortgage loans, including, but not limited to Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA) for the purchase of mortgage loans made on Lots in the Property, or (z) for the sole purpose of causing this Declaration to comply with the requirements of any statutes, ordinances, laws or regulations applicable thereto, it may do so by an instrument signed by Declarant without the consent of Owners or mortgagees, but shall give notice of any such amendments to all Owners and all mortgagees of Lots who have requested the same in writing. The failure to give such notice shall not affect the validity or effectiveness of such amendment. Notwithstanding anything to the contrary contained herein, Declarant may amend this Declaration to annex the Additional Land to the Property and to ensure that the Declaration appropriately accommodates the annexation of the Additional Land, as provided in Section 11.1 hereof, without any consents. In furtherance of the foregoing, a power coupled with an interest is hereby reserved to Declarant, as attorney-in-fact to so amend the Declaration as provided in this Section 16.4, and each deed, mortgage or other instrument with respect to a Lot and acceptance thereof shall be deemed a grant and acknowledgment of and a consent to such power to said attorney-in-fact. Any amendment must be recorded with the Office of Recorder, Lake County, Illinois.

SECTION 16.5. Quorum. Unless otherwise specified to the contrary in any provision of this Declaration, the presence of Members or of proxies entitled to cast ten percent (10%) of the votes of each class of membership shall constitute a quorum for any meeting of the Members of the Association. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in the By-Laws of the Association and the required quorum at such subsequent meeting shall be fifty percent (50%) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal on the date first written above.

PULTE HOME CORPORATION

By: TEB

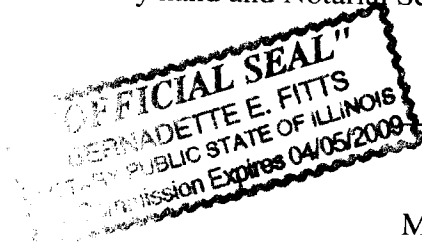
By: [Signature]

Its: Attorneys-in-Fact

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

I, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that William L. Goldbeck and Michael E. Hill personally known to me to be the Attorneys-in-Fact of PULTE HOME CORPORATION, a Michigan corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument as Attorneys-in-Fact of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 30th day of June, 2006.



Michael E. Hill
Notary Public

My Commission Expires: April 5, 2009

This instrument was prepared by
and upon recording mail to:

William L. Goldbeck
GARDNER, CARTON & DOUGLAS
191 North Wacker Drive
Suite 3700
Chicago, Illinois 60606

EXHIBIT A

Legal Description of Property

Lots:

LOTS 12 THROUGH 100, BOTH INCLUSIVE, IN CYPRESS PARK, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 19, LYING EAST OF THE EAST LINE OF KENOSHA ROAD (EXCEPT THE NORTH 737.50 FEET, MEASURED AT RIGHT ANGLES TO THE NORTH LINE THEREOF) TOGETHER WITH THE NORTH 462.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, AND THE EAST 157.50 FEET OF THE NORTH 462.50 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, TOGETHER WITH THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20 AND THE NORTH 33 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20, ALL IN TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED ON FEBRUARY 9, 2006 IN LAKE COUNTY, ILLINOIS AS DOCUMENT NO. 5944150.

Common Area:

OUTLOTS A, B, D, E AND F IN CYPRESS PARK, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 19, LYING EAST OF THE EAST LINE OF KENOSHA ROAD (EXCEPT THE NORTH 737.50 FEET, MEASURED AT RIGHT ANGLES TO THE NORTH LINE THEREOF) TOGETHER WITH THE NORTH 462.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, AND THE EAST 157.50 FEET OF THE NORTH 462.50 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, TOGETHER WITH THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20 AND THE NORTH 33 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20, ALL IN TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED ON FEBRUARY 9, 2006 IN LAKE COUNTY, ILLINOIS AS DOCUMENT NO. 5944150.

PIN Numbers: 04-19-400-015
04-19-400-018

Address of Property: Vacant land north of 29th Street and east of Kenosha Road in Zion, Illinois

EXHIBIT B

By-Laws of Cypress Park Homeowners Association

[See Attached]



BY-LAWS
OF
CYPRESS PARK HOMEOWNERS ASSOCIATION

NAME AND LOCATION. The name of the corporation is the CYPRESS PARK HOMEOWNERS ASSOCIATION, an Illinois not-for-profit corporation, hereinafter referred to as the "Association." The principal office of the corporation shall be located within the State of Illinois, County of Lake, City of Zion. Meetings of members and directors may be held at such places within the State of Illinois, Counties of Kane or Lake, as may be designated by the Board of Directors.

ARTICLE 1.

DEFINITIONS

Section 1.1. "Association" shall mean the Cypress Park Homeowners Association, an Illinois not-for-profit corporation, its successors and assigns.

Section 1.2. "By-Laws" shall mean these By-Laws of the Association.

Section 1.3. "City" shall mean the City of Zion, Illinois.

Section 1.4. "Common Area" shall mean all real property and all improvements and fixtures thereto and all personal property owned by the Association for the common use and enjoyment of the Owners. Common Area includes, but is not limited to, the outlots designated as Common Area on **Schedule I** attached hereto. Common Area may also be designated on any Plat of Subdivision of the Property or any amendments or supplements to this Declaration.

Section 1.5. "Declarant" shall mean Pulte Home Corporation, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from Declarant for the purpose of development.

Section 1.6. "Declaration" shall mean that certain Cypress Park Declaration of Covenants, Conditions and Restrictions, as same may be amended from time to time, and recorded with the Recorder of Deeds of Lake County, Illinois.

Section 1.7. "Lot" shall mean a plot of land upon which a detached single family residence is constructed or to be constructed. A Lot shall be a subdivision lot contained within a Plat of Subdivision.

Section 1.8. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 1.9. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.10. “Plat of Subdivision” shall mean a plat of the Properties, or any part thereof, subdividing or resubdividing the same into subdivision lots and Common Area, and recorded with the Recorder of Deeds of Lake County, Illinois.

Section 1.11. “Property” shall mean and refer to that certain real property described on **Schedule 1**, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE 2.

MEETING OF MEMBERS

Section 2.1. Annual Meetings. The first annual meeting of the Members shall be held not more than sixty (60) days following the date that the Declarant ceases to be a “Class B Member” (as defined in the Declaration) pursuant to the terms of the Declaration. Each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o’clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2.2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of each class of membership.

Section 2.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least five (5) days but not more than forty (40) days before such meeting to each Member entitled to vote thereat, addressed to the Member’s address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 2.4. Quorum. The presence at the meeting of Members entitled to cast, or proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, another meeting may be called, subject to the notice requirements set forth above, and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum for the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 2.5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

ARTICLE 3.

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 3.1. Number. The affairs of this Association shall be managed by a Board of six (6) directors; provided, however, that until the first annual meeting of Members, the Board of Directors may be less than six (6) in number, but not less than three (3). The directors need not be Members of the Association; provided, however, from and after the first annual meeting of Members, the Board of Directors shall include not less than two (2) directors who are Members (other than Declarant) residing on Lots within the Property.

Section 3.2. Term of Office. At the first annual meeting, the Members shall elect two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years and two (2) directors for a term of three (3) years; and at each annual meeting thereafter, the Members shall elect two (2) directors for a term of three (3) years.

Section 3.3. Removal. Any director may be removed from the Board, with or without cause, by a vote of sixty-seven percent (67%) of the total votes collectively held by all classes of Members present in person or by proxy, entitled to vote at a meeting duly called for such purpose, at which a quorum is present, written notice of which is mailed to all Members not less than five (5) days nor more than forty (40) days in advance of the meeting. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 3.4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 3.5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE 4.

NOMINATION AND ELECTION OF DIRECTORS

Section 4.1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee

shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting.

The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 4.2. Election. Election to the Board of Directors shall be by written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE 5.

MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Periodic regular meetings of the Board of Directors may be held without notice, on such dates and at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Members may attend meetings of the Board to the extent permitted by the Board in its discretion. It is not the intention that Members 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.

Section 5.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 5.3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

ARTICLE 6.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights of an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the

Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for any single infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association by virtue of the Declaration or the Articles of Incorporation of the Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a director of the Board of Directors to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such other employees as the Board of Directors deems necessary, and to prescribe their duties; provided, however, that any such employment arrangement shall be terminable by the Association without cause and without penalty on not more than ninety (90) days' notice; and

(f) procure and maintain errors and omissions insurance coverage for the Board of Directors, the officers, and such of the agents of the Association as the Board of Directors, in its discretion, deems appropriate.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof, in such form as the Board of Directors shall deem appropriate, to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the "Class A Members" (as defined in the Declaration) who are entitled to vote;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration:

(i) fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period;

(ii) send written notice of each assessment to every Owner subject thereto in advance of each annual assessment period;

(iii) call special meetings of the Members for the purposes of voting on any increase in annual assessments on which Members must vote or voting on any special assessments;

- (iv) at its option, foreclose the lien against any Lot for which assessments are not paid after due date or to bring an action at law against the Owner personally obligated to pay the same;
- (v) provide all of the maintenance, repair and replacement within the Cypress Park development as may be required under the Declaration and under that certain Declaration of Stormwater Management Easements and Maintenance for Cypress Park recorded against the Property and other property within the greater Cypress Park development.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of such certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment. No charge shall be made for issuing from time to time such certificates to Declarant on Lots then owned by Declarant;
- (e) procure and maintain liability, casualty, and other insurance in the manner provided in the Declaration; and
- (f) grant and create easements for public utilities for the benefit of the Owners or the Association.

ARTICLE 7.

OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Officers. The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 7.4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 7.8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and instead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the names of the Members of the Association together with their addresses; and shall perform such other duties as required by the Board of Directors.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association; shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of the accounts; prepare or cause to be prepared an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

ARTICLE 8.

COMMITTEES

The Association shall appoint a Nominating Committee, as provided by these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE 9.

DECLARANT'S RIGHTS

Anything to the contrary contained in these By-Laws notwithstanding, so long as Declarant is a "Class B Member" (as defined in the Declaration), it shall have the absolute and exclusive right to fill any vacancies on the Board of Directors (including any vacancy caused by an increase in the number of directors) and to appoint any officers, assistant officers and agents of the Association.

ARTICLE 10.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each director and each officer of the Association and any director or officer of any other corporation serving as such at the request of the Association because of the Association's interest as a shareholder or creditor of such other corporation, shall be indemnified by the Association against all contractual and other liabilities to others arising out of contracts made by or other acts of the Board of Directors and officers of the Association on behalf of the Owners or the Association (including expenses, which expenses shall include attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred in the defense or settlement of a suit or action) or otherwise arising out of their status as members of the Board of Directors or officers (including expenses, which expenses shall include attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred in the defense or settlement of a suit or action) in each event, to the fullest extent permitted by law. The right of indemnification hereinabove provided shall not be deemed exclusive of any other right to which such director or officer may now or hereafter be otherwise entitled and specifically, without limiting the generality of the foregoing, shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any such director or officer in any such action, suit or proceeding to have assessed or allowed in his or her favor, against the Association or other corporation or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

ARTICLE 11.

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member or by any mortgagee holding a mortgage on any Lot within the Property. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE 12.

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association the annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, the Association may at its election, require the Owner to pay a "late charge" in an amount to be determined by the Association and applied uniformly, and if such assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate permitted by Illinois law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against his or her Lot. Interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his or her Lot.

ARTICLE 13.

AMENDMENTS

These By-Laws may be amended by a vote of sixty-seven per cent (67%) of the total votes collectively held by all classes of Members present in person or by proxy, entitled to vote at a meeting duly called for such purpose, at which a quorum is present, written notice of which is mailed to all Members not less than five (5) days nor more than forty (40) days in advance of the meeting, setting forth the purpose of the meeting, together with the written approval by the mortgagees holding at least fifty-one percent (51%) of the outstanding mortgages on the Lots within the Property. Notwithstanding the foregoing, in the event the Board of Directors desires to amend these By-Laws (i) to correct a technical or typographical error or to clarify any provisions herein which are otherwise vague, or (ii) for the sole purpose of causing the Declaration or these By-Laws to comply with form and substance as may be required by either the Federal Housing Authority (FHA) or the Veterans Administration (VA) to enable the sales of Lots from the Property to qualify for the insurance by either such agency of end mortgage loans made to Owners of such Lots, or as may be required to conform to the published manuals or guidelines of any governmental, quasi-governmental or private agency engaged in the business of

the purchase of mortgage loans, including, but not limited to Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA) for the purchase of end mortgage loans made on Lots, or (iii) for the sole purpose of causing the Declaration or these By-Laws to comply with all applicable laws, it may do so by the vote of a majority of the directors at a meeting duly called at which a quorum is present, without the consent of Members or mortgagees, but shall serve notice of any such amendment upon all Members and all mortgagees of Lots who have requested the same in writing. The failure to give such notice should not affect the validity or effectiveness of such amendment.

ARTICLE 14.

CONTROLLING PROVISION

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE 15.

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

[Signature Page to Follow]

IN WITNESS WHEREOF, we, being all of the directors of the Cypress Park Homeowners Association, have hereunto set our hands this 15th day of June, 2006.

TDB

Todd Briner

Bryan Beil

Bryan Beil

Sam Ghanma

Sam Ghanma

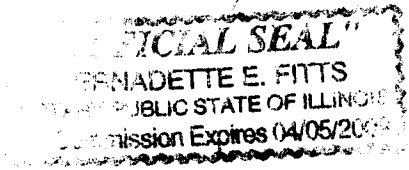
STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Todd Briner, Bryan Beil and Sam Ghanma, personally known to me to be the Directors of the Cypress Park Homeowners Association, an Illinois not for profit corporation, and Bryan Beil personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Directors and Secretary, they signed and delivered the said instrument, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28th day of June, 2006.

Bernadette E. Fitts
Notary Public

My Commission Expires: April 5, 2009



SCHEDULE I to By-Laws

Legal Description of Property

Lots:

LOTS 12 THROUGH 100, BOTH INCLUSIVE, IN CYPRESS PARK, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 19, LYING EAST OF THE EAST LINE OF KENOSHA ROAD (EXCEPT THE NORTH 737.50 FEET, MEASURED AT RIGHT ANGLES TO THE NORTH LINE THEREOF) TOGETHER WITH THE NORTH 462.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, AND THE EAST 157.50 FEET OF THE NORTH 462.50 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, TOGETHER WITH THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20 AND THE NORTH 33 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20, ALL IN TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED ON FEBRUARY 9, 2006 IN LAKE COUNTY, ILLINOIS AS DOCUMENT NO. 5944150.

Common Area:

OUTLOTS A, B, D, E AND F IN CYPRESS PARK, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 19, LYING EAST OF THE EAST LINE OF KENOSHA ROAD (EXCEPT THE NORTH 737.50 FEET, MEASURED AT RIGHT ANGLES TO THE NORTH LINE THEREOF) TOGETHER WITH THE NORTH 462.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, AND THE EAST 157.50 FEET OF THE NORTH 462.50 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, TOGETHER WITH THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20 AND THE NORTH 33 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20, ALL IN TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED ON FEBRUARY 9, 2006 IN LAKE COUNTY, ILLINOIS AS DOCUMENT NO. 5944150.

PIN Numbers: 04-19-400-015
04-19-400-018

Address of Property: Vacant land north of 29th Street and east of Kenosha Road in Zion, Illinois

EXHIBIT C

Design and Specification of Fences That May Be Installed by Owners

All fencing must meet the following specifications:

Type: Cedar
Color: Natural
Styles: As provided below
Height: Not more than 6' in height

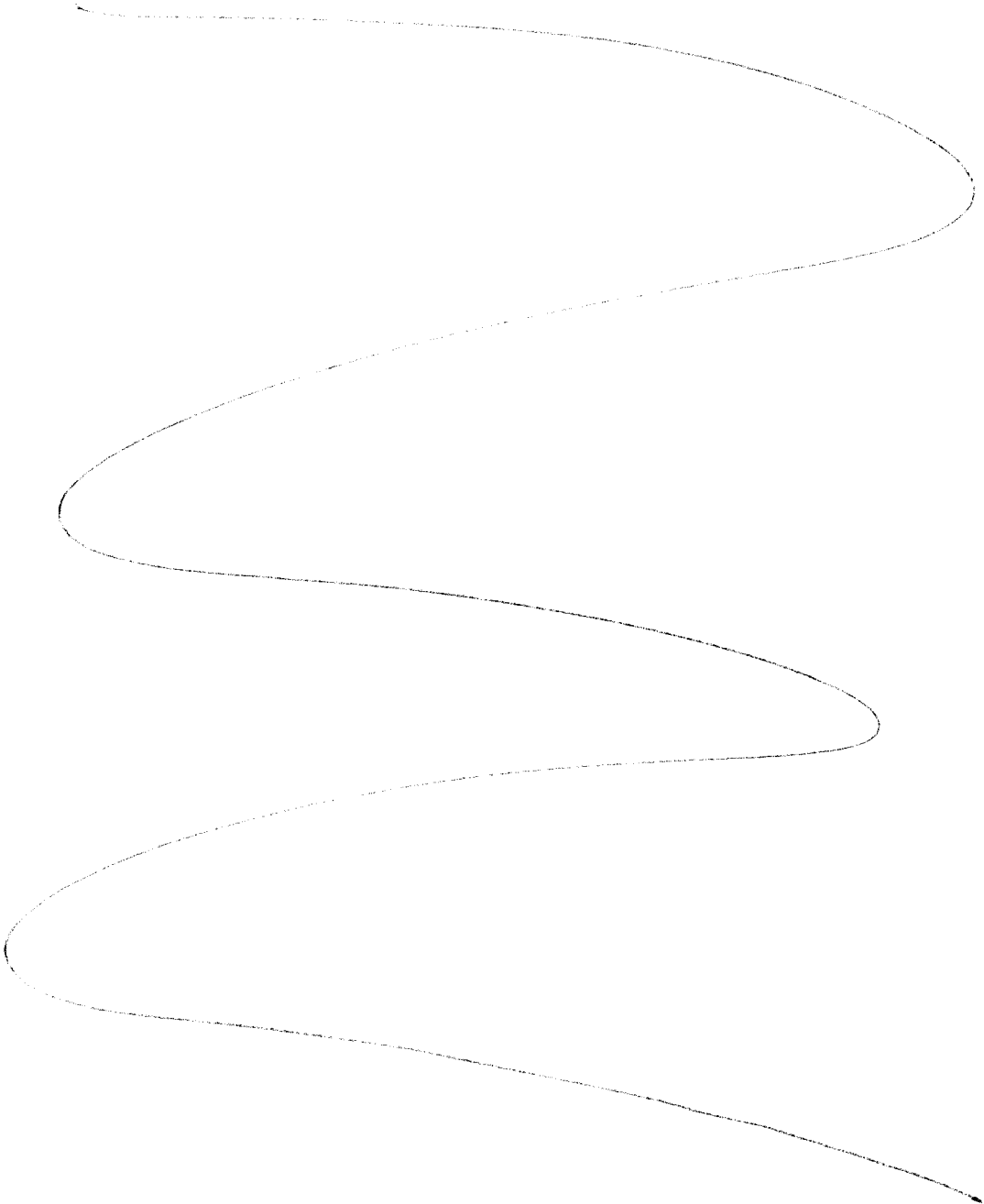


BOARD/BOARD

EXHIBIT D

Anti-Monotony Standards

[See attached]





Streetscape Criteria

I. Single Family Detached Communities

- a. The following criteria apply to homes on straight or curved streets, cul-de-sacs and corner lots.
 1. No house shall have the same configuration that is within one (1) house on either side **or** on any house directly across the street from the subject house. Additionally, the house directly behind a corner subject house is included in these criteria.
 2. No house shall have the same color package that is within one (1) house on either side **or** on any house directly across the street from the subject house. Additionally, the house directly behind a corner subject house is included in these criteria.

NOTE: NO HOUSE SHALL HAVE THE SAME SIDING OR BRICK COLOR (PER #2 ABOVE) ADJACENT TO ONE ANOTHER.

II. Single Family Attached or Multi Family Communities

- a. Prior to sales, the Division President will predetermine the criteria.

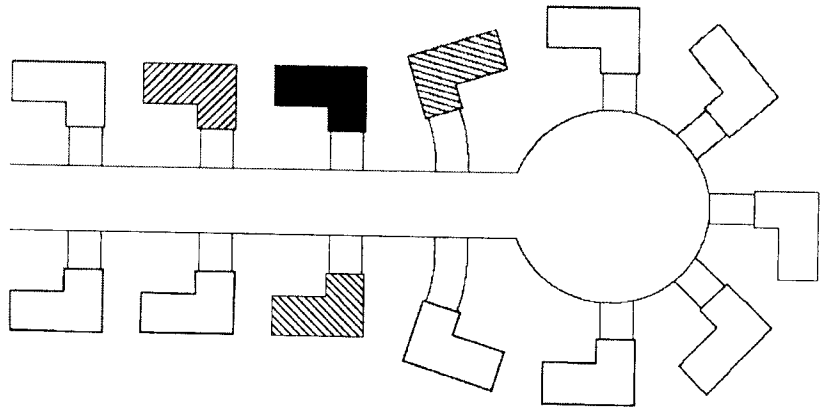
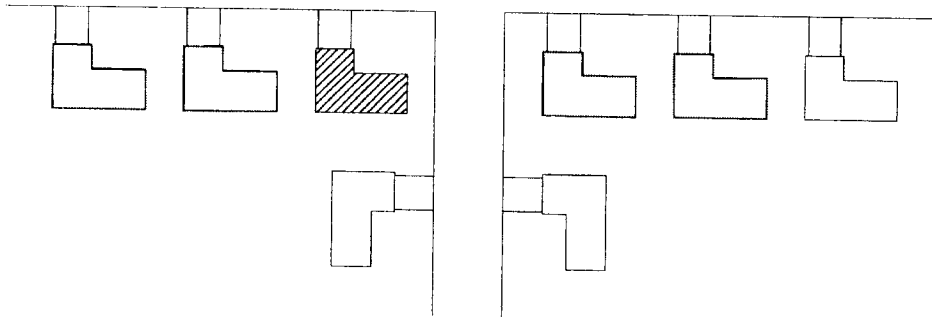
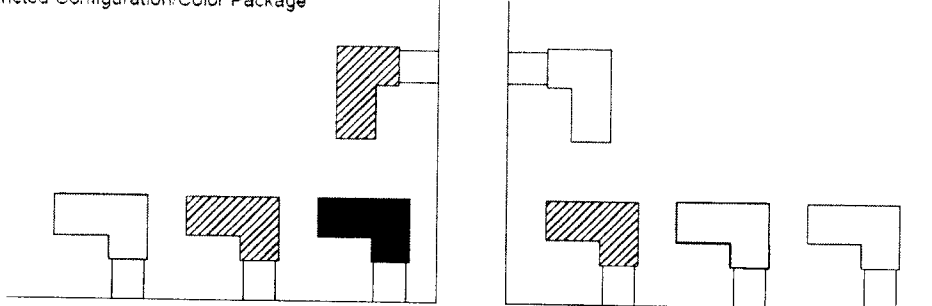
III. Definitions


- a. Configuration – a combination of product type, elevation, exterior fenestration (siding or stone), and color package.
- b. Color Package – a combination of siding, stone, trim/gutter, accent, and roof colors incorporated into the exterior color fenestration of a single house.


PLEASE SEE THE FOLLOWING PAGES FOR EXAMPLES OF EACH CASE.

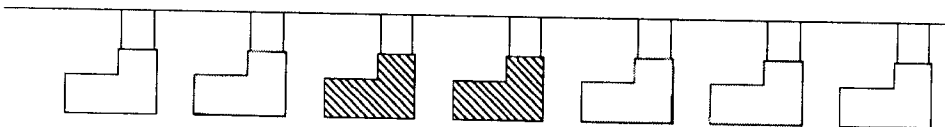
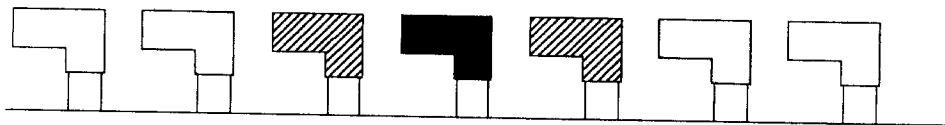
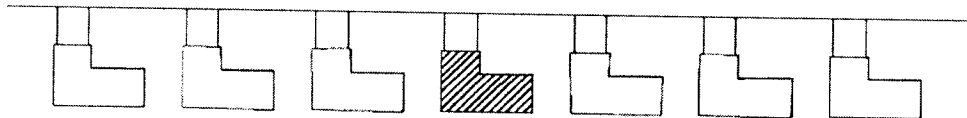
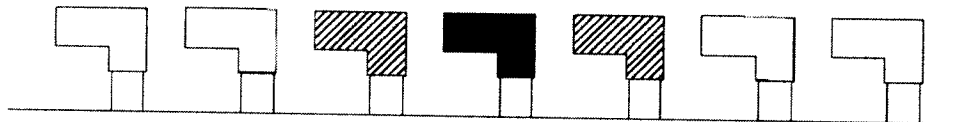
■ = Subject House

▨ = Restricted Configuration/Color Package



 = Subject House

 = Restricted Configuration: Color Package



■ = Subject House

▨ = Restricted Configuration/Color Package

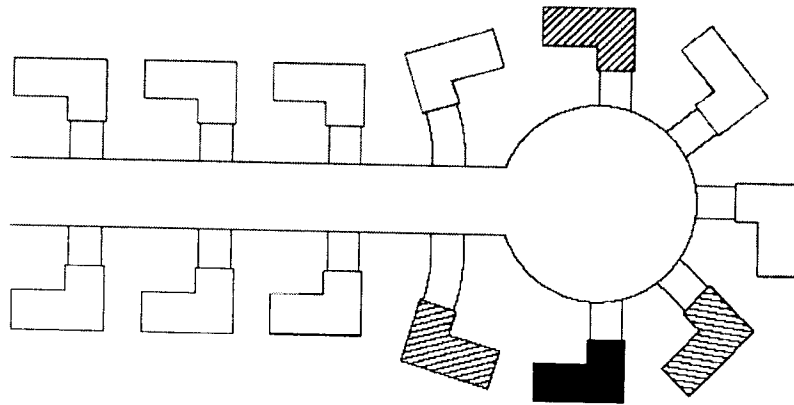
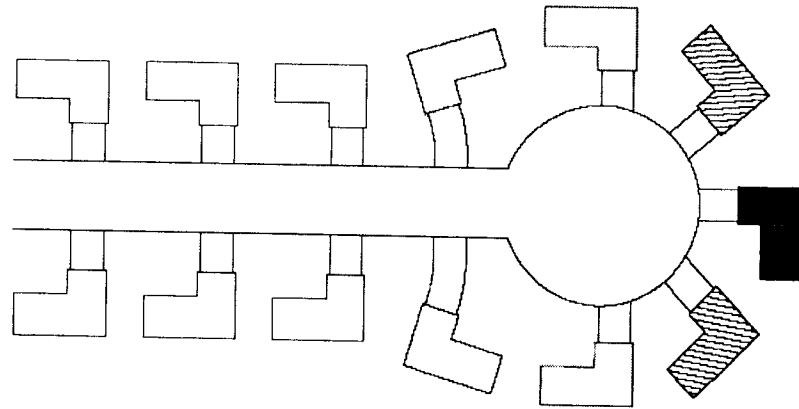


EXHIBIT E

Legal Description of the Additional Land

OUTLOT G IN CYPRESS PARK, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 19, LYING EAST OF THE EAST LINE OF KENOSHA ROAD (EXCEPT THE NORTH 737.50 FEET, MEASURED AT RIGHT ANGLES TO THE NORTH LINE THEREOF) TOGETHER WITH THE NORTH 462.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, AND THE EAST 157.50 FEET OF THE NORTH 462.50 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, TOGETHER WITH THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20 AND THE NORTH 33 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20, ALL IN TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED ON FEBRUARY 9, 2006 IN LAKE COUNTY, ILLINOIS AS DOCUMENT NO. 5944150.

- and -

THE NORTH 737.50 FEET (MEASURED AT RIGHT ANGLES TO THE NORTH LINE) OF THAT PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE CENTER LINE OF KENOSHA ROAD (EXCEPT THAT PART THEREOF DESCRIBED AS: BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 19, AFORESAID, WHICH IS 2248.20 FEET MORE OR LESS, WEST OF THE EAST QUARTER CORNER OF SAID SECTION 19, SAID POINT LYING ON THE CENTER LINE OF KENOSHA ROAD; THENCE EAST ON SAID NORTH LINE 266.48 FEET; THENCE SOUTH AT RIGHT ANGLES TO SAID NORTH LINE 507.02 FEET; THENCE WEST PARALLEL WITH SAID NORTH LINE 420.85 FEET TO THE CENTER LINE OF KENOSHA ROAD; THENCE NORTHEASTERLY ALONG SAID CENTER LINE 530.00 FEET TO THE PLACE OF BEGINNING), IN LAKE COUNTY, ILLINOIS.

PIN: 04-19-400-005
04-19-400-016
04-20-300-005