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**STONE GATE ESTATES
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

ACC.

THIS STONE GATE ESTATES DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS (the "Declaration") is made this 1ST day of June, 2006, by Joseph E. Osborn and Donald P. Osborn, d/b/a Osborn Development, a partnership ("Declarant").

PREAMBLES:

A. Declarant owns fee simple title to a certain parcel of real estate in the County of Madison, State of Illinois, legally described on Exhibit "A" attached hereto and made a part hereof (the "Property"); and

B. Declarant is under contract to purchase certain additional parcels of real estate in the County of Madison, State of Illinois, which are adjacent to the Property and which are legally described on Exhibit "B" attached hereto and made a part hereof ("Contract Property"); and

C. Declarant (hereinafter defined in **Article I**) desires to develop a single family residential development on the Property to be known as Stone Gate Estates (the "Development"); and

D. Declarant is desirous of submitting the Property (and the Contract Property, once annexed as provided in 8.12 herein) to the provisions of this Declaration.

NOW, THEREFORE, Declarant hereby declares that the Property is, and shall be held, transferred, sold, conveyed and occupied, subject to the covenants, conditions, restrictions and easements hereinafter set forth.

ARTICLE I

Definitions

When used in this Declaration, the following words and terms shall have the following meanings:

- 1.1. "Board" shall mean and refer to the Board of Directors of the Association.
- 1.2. "Contract Property" shall mean the real property described on Exhibit "B," attached hereto and made a part hereof.
- 1.3. "Declarant" shall mean and refer to Osborn Development, an Illinois company, its successors and assigns. Any such successor or assignee shall be deemed a Declarant and entitled to exercise all or any rights of Declarant provided herein if designated as such by Declarant in any instrument recorded for such purposes as provided in Section 8.11.
- 1.4. "Developer" shall mean and refer to Osborn Development, an Illinois company.
- 1.5. "Dwelling" shall mean any building location on a Lot and intended for the shelter and housing of a Single Family residence. Dwelling shall include any Improvement (hereafter defined) attached or adjacent to the Dwelling utilized for storage of personal property, tools and equipment.
- 1.6. "Improvement" or "Improvements" shall mean and include Dwellings, any and all buildings, outbuildings, driveways, pedestrian walkways, fences, decks, patios, sidewalks, and all other structures improvements of every kind and description.
- 1.7. "Lot" shall mean each part of the Property, the size and dimension of which shall be established by the legal description in the Deed conveying such Lot. A Lot may also be established pursuant to the Subdivision Plat or by an instrument in writing executed, acknowledged and recorded by Declarant, which designates a part of the Property as a Lot for the purposes of the Declaration.
- 1.8. "Deed" shall mean the deed of Declarant conveying a Lot to an Owner.
- 1.9. "Mortgage" shall mean either a mortgage or deed of trust creating a lien against a portion of the Property given to secure an obligation of the Owner of such portion of the Property.
- 1.10. "Common Area" those areas designated on the Subdivision Plat, including without limitation, that area reserved or set aside as a Common area and the landscaped entrance median and any other area which the Declarant sets aside and declares to be a Common Area.
- 1.11. "County" shall mean Madison County, State of Illinois.
- 1.12. "Municipality" shall mean the City of Maryville, Illinois, an Illinois municipal corporation.

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

1.14. "Person" or "Persons" shall mean all natural individuals, corporations, partnerships, trustees or other legal entities capable of holding title to real property.

1.15. "Plans and Specifications" shall have the meaning set forth in Section 4.2.

1.16. "Property" shall mean and refer to the real estate legally described in Exhibit "A" attached hereto and made a part hereof. "Property" shall also mean the Contract Property.

1.17. "Sidewalk" shall mean the sidewalks to be constructed in accordance with the laws, rules, or ordinances of the Municipality on the Lots.

1.18. "Single Family" shall mean one or more persons, each related to the other by blood, marriage or adoption, or a group of not more than three persons not all so related, maintaining a common household in a Dwelling or as otherwise defined by any fair housing laws in the State of Illinois or by federal law, as amended from time to time, or as allowed by the County Zoning Ordinance or the Municipality.

1.19. "Special Amendment" shall have the meaning set forth in Section 8.6.

1.20. "Subdivision Plat" or "Subdivision" shall mean the plat of subdivision for Stone Gate Estates as recorded in the Office of the Recorder of Deeds of Madison County, State of Illinois on November 22, 2005 in Book 65 Page 32 as Document No. 2005R66047 .

ARTICLE II

Declaration Purposes and Property Subjected to Declaration

2.1. The Declarant desires to create on the Property a Single-Family development for future owners of Lots for the following general purposes:

(a) The Declarant desires to provide upon the Property, through its planning and layout, the harmonious development of a Single-Family community by the imposition of the covenants, conditions, restrictions and easements as hereinafter set forth, for the benefit of the Property and the Owners.

(b) By the imposition of covenants, conditions and restrictions set forth herein and the reservation of certain powers as herein contained, Declarant intends to provide a plan for development of the Property, which is intended to enhance and protect the values of Declarant's Single-Family residential community.

(c) The Declarant desires to (i) prevent improper use of Lots which may depreciate the value of the Owner's property; (ii) prevent the construction of buildings containing improper or unsuitable materials; (iii) ensure adequate and reasonable development of the Property within the Subdivision; (iv) encourage the construction of attractive improvements on the Property;

(v) prevent haphazard and inharmonious development; and (vi) in general, provide for the highest quality environment for the Development.

2.2. To further the general purposes herein expressed, the Declarant, for itself, its successors and assigns, hereby declares that the Property at all times is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions and easements set forth in this Declaration.

ARTICLE III

General Restrictions

3.1. All Lots shall be used only for Single-Family Dwellings. Each Owner shall (i) maintain his Lot and all Improvements located thereon in a clean, sightly and safe condition, (ii) cause the prompt removal of all papers, debris and refuse therefrom and the removal of snow and ice from all sidewalks, driveways and similar areas serving said Lot and (iii) comply with all applicable governmental codes, laws, ordinances, orders, decrees, rules and regulations ("Regulations").

3.2. All Improvements shall be constructed in accordance with the Plans and Specifications approved in accordance with the terms and conditions in Article IV and in accordance with all applicable governmental building and zoning codes and Regulations. If, and to the extent any conflict exists between the terms and conditions of this Declaration and the provisions of any such codes, laws, ordinances, orders, decrees, Regulations, then such conflict shall be resolved by the Declarant or by application of the more stringent provision providing the higher or better quality result, whichever the Declarant decides.

3.3. No noxious or offensive activity shall be carried on, in or upon the Property, nor shall anything be done thereon which may constitute or become an annoyance or nuisance to the Owners. No plants or seeds or other conditions, harboring or breeding infectious plant diseases or noxious insects shall be introduced or suffered to exist upon any part of a Lot.

3.4. Except as expressly provided herein, no temporary building, trailer, mobile home, recreational vehicle, tent, shack or other similar improvement shall be located upon the Lots.

3.5. No Person shall accumulate on his Lot any derelict vehicles, litter, refuse or other unsightly materials. Garbage shall be placed in receptacles and all garbage receptacles shall be properly screened. All unimproved Lots shall not be planted with anything other than grass or other vegetation, and must be mowed and maintained on a regular basis.

3.6. Trucks, boats, recreational vehicles, trailers or other vehicles (other than automobiles) shall at all times be parked in the garage of the Dwelling. Their repair or maintenance shall not be permitted except within the confines of the garage.

3.7. No animals (other than inoffensive common domestic household pets such as dogs and cats) shall be kept on any Lot or within the confines of any Improvement thereon. The breeding or keeping of dogs or cats for sale or profit is expressly prohibited.

3.8. The operation of "ham" or other amateur radio stations or the erection of any communication antennae, satellite dishes, or similar devices shall not be allowed unless located in the

back yard of the Lot and completely screened from view from all streets or as otherwise allowed by federal law.

3.9. Except as otherwise provided herein, each Owner shall keep all areas of the Lots designed or intended for the proper drainage or detention of water, including swale lines and ditches, unobstructed and mowed regularly. Except for the trees and plantings, which exists at the time this Declaration was recorded, no other trees, plantings, shrubbery, fencing, patios, structures, or other obstructions of any kind whatsoever shall be allowed to remain in any such areas which would alter the rate or direction of flow of water from any Lot by impounding water, changing grade, blocking or redirecting swales, ditches or drainage areas or otherwise. Each Owner acknowledges that the trees and other landscape items, which presently exist on the Property are for the benefit of the entire Development and each Owner is prohibited from removing any trees or other natural growth located on the Lot except as approved by the Developer as stated in Article IV. Any disagreement between any Owner with respect to this provision shall be determined by the Developer in Developer's sole and absolute discretion. Each Owner acknowledges, by acceptance of a deed to a Lot, that any and all such drainage or detention areas and the trees and other landscape items are for the benefit of the entire Subdivision. In the event any Owner destroys the trees or other landscaping items without the express approval of the Developer, the Developer in addition to the rights and remedies granted to it hereunder shall also have the right and remedy to replant the Owner's Lot and that the Owner shall be solely responsible for the cost and expense of same.

ARTICLE IV

Architectural Controls

4.1. Except for Improvements constructed by Developer, no Improvements, whether original or replacement, temporary or permanent, shall be constructed, placed or permitted on any Lot without the prior written approval of Developer obtained in the manner hereinafter set forth. Approvals or denials under this Article IV may be withheld in Developer's sole and absolute discretion.

4.2. In order to secure Developer's approval of any proposed Improvement or Improvements, the Owner shall submit to Developer a complete set of the following:

(a) The Lot site plan, as prepared by the Owner's architect or builder, showing, among other things, the location and dimension of all intended Improvements;

(b) Drawings, plans and specifications, as prepared by the Owner's architect or builder, of all exterior surfaces, the location of the Improvement on the Lot, showing elevations and grade and the damage to any trees or existing landscape items, including without limitation the color, quality and type of exterior construction materials;

(c) All such other information Developer may require to determine the location, scale, design, character, style and exterior appearance of Owner's intended Improvements. Note: all mailboxes throughout the Subdivision shall be uniform in size, shape and color as determined by the Developer;

(d) Each Lot must have sod planted in the front yard no later than three (3) months from the date of closing on such Lot.

All the foregoing (hereinafter collectively referred to as the "Plans and Specifications") shall conform to the applicable provisions of this Declaration.

4.3. Within fifteen (15) days after Developer's receipt of the Plans and Specifications, Developer shall notify Owner in writing whether such Plans and Specifications are approved or disapproved. Any such disapproval shall set forth the reason or reasons for such disapproval and shall list the changes required by the Developer. If Developer fails to so approve or disapprove the Plans and Specifications within said fifteen (15) day period, then Developer's approval shall be conclusively presumed.

4.4. If Developer shall disapprove all or any portion of the Plans and Specifications submitted as aforesaid, the Owner shall revise the Plans and Specifications to incorporate the changes required by the Developer and shall deliver one (1) complete set of revised Plans and Specifications to Developer. Developer shall have thirty (30) days after its receipt of said revised Plans and Specifications to determine whether Owner has complied with Developer's requested changes. If Developer fails within said thirty (30) day period to advise the Owner in writing whether Developer approves or disapproves any such revised Plans and Specifications, then Developer's approval shall be conclusively presumed. If Developer shall disapprove all or any portion of said revised Plans and Specifications, Owner shall revise the Plans and Specifications in the manner set forth in this Section 4.4 until such time as Developer shall approve or be deemed to have approved said Plans and Specifications.

4.5. The Owner shall secure the approval of Developer with respect to any material change or revision in any Plans and Specifications approved in accordance with this Article IV in the manner provided in this Article for the approval of Plans and Specifications.

4.6. Neither Developer, nor any of its agents, attorneys, shareholders, employees, licensees, successors and assigns, shall be liable in damages to any Owner or to any other person submitting Plans and Specifications to any one or more of them for approval by reason of the withholding of consent or by reason of a mistake in judgment, negligence or nonfeasance arising out of or occurring in connection with the approval or disapproval or failure to approve or disapprove any such Plans and Specifications.

4.7. The provisions of Articles III and IV of this Declaration shall not apply to any Improvements installed or completed by the Developer or any affiliate or subsidiary of or other entity controlled by or in common control with the Developer.

4.8. Each builder or Owner shall be required during the construction process to install adequate siltation control measures and drainage control measures on each Lot so that no debris, dirt, or flooding occurs to any other Lot or Common Area in the Subdivision, including without limitation, mud on the streets or sidewalks. In the event any builder or Owner fails to comply with same that builder or Owner shall be in default and the Declarant may pursue all remedies at law or equity under the remedies, which are specifically enumerated in this Declaration, it being understood that all remedies are cumulative.

ARTICLE V

Homeowner's Association

5.1. The Developer has formed or will in the near future form an Illinois not-for-profit corporation, which is known as the Stone Gate Estates Homeowner's Association, Inc. ("Association") that shall provide for maintenance and operation of the Common Areas and other enforcement provisions as provided herein.

5.2.

(a) The Association shall have a Board of not less than three (3) directors who shall be elected by the Members of the Association at such intervals as the articles of incorporation and By-Laws (a substantial copy of which is attached hereto as **Exhibit "C"** and made part hereof) of the Association shall provide, except (i) that vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled by the Board if so provided by the articles of incorporation or By-Laws and (ii) that the first Board and subsequent Boards (until the Turnover Date) shall be appointed by the Developer in Developer's sole and absolute discretion. Except for directors of the Board appointed by the Developer, all directors shall be Members of the Association. The Developer may, from time to time, by written notice to the Association, elect to relinquish its right to appoint any one or more directors and continue to exercise its right to appoint the remaining directors of the Board until the Turnover Date.

(b) The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board and who shall manage and conduct the affairs of the Association under the direction of the Board. Except as expressly provided otherwise by the corporate charter or By-laws, all power and authority to act on behalf of the Association, both pursuant to this Declaration and otherwise, shall be vested in the Board from time to time and its officers under the direction of the Board, and shall not be subject to the approval of the Members. The directors and officers of the Association shall not be liable to the Owners or any others for any mistake of judgment or any acts or omissions made in good faith as such directors or officers.

5.3. The Developer shall, through the Board appointed by it in accordance with Section 5.2, exercise control over all Association matters, until the first to occur of the following: (a) the date which is twenty (20) years from the date of this Declaration, (b) the date of the sale and conveyance of legal title to all of the Lots to Owners other than Declarant or an assignee of Declarant, or (c) the date Developer elects voluntarily to turn over to the Members the authority to appoint the Board, which election shall be made by directing the Declarant to execute and record in the Office of the Recorder of Deeds of Madison County, Illinois an instrument setting forth its intention to so turn over its authority hereunder. The date upon which the authority to appoint the Board passes to the Members is hereinafter referred to as the "Turnover Date." On or prior to the Turnover Date, the Developer shall convey to the Association, and the Association shall accept, the Common Area.

5.4.

(a) Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or any of its successors in interest owns one or more Lots.

(b) From and after the Turnover Date, each Member shall be entitled to one (1) vote for each Lot owned by him or her on each matter submitted to a vote of Members; provided, however, that where there is more than one Owner of a Lot, such co-owners of a Lot shall only be entitled to one vote.

5.5. The Association, through the Board, shall have the power and duty to:

(a) Own, maintain and otherwise manage the Common Area and all improvements thereon and all other property acquired by the Association or which the Association agrees to maintain, including any obligation to maintain any landscaping located in concrete islands which are within the Property and to maintain any entrance sign located thereon;

(b) Employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent by Developer shall give the Association the right to terminate without cause or penalty not later than ninety (90) days after the date the initial meeting of the Members of the Association is held as provided in the By-Laws;

(c) Maintain, at the expense of the defaulting Owner, all drainage areas and facilities located on the Property in accordance with the reasonable and acceptable engineering requirements of the Municipality in the event that one or more Owners fail to do so;

(d) At its option, mow, care for, maintain and remove rubbish from any vacant or unimproved portions of the Property or Lot and to do any other things necessary or desirable in the judgment of the Board to keep any vacant or unimproved portions of the Property or Lot neat in appearance and in good order. The foregoing rights shall not apply to any Lot or other portion of the Property owned by Declarant;

(e) Make such improvements to the Common Area and provide such other facilities and services as may be authorized from time to time by the affirmative vote of two-thirds (2/3) of the Members of the Association acting in accordance with its articles of incorporation and By-Laws, provided, however, that any such action so authorized shall always be for the express purpose of keeping the Subdivision a highly desirable Single-Family residential community; and

(f) Exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Members by this Declaration, the articles of incorporation or the By-Laws.

5.6. The Board shall also have the authority and responsibility to obtain and maintain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workers' compensation insurance, and other liability insurance as it may deem desirable, insuring the Association, its officers, the Board, the Declarant, and their respective employees and agents from liability and insuring the officers of the Association and Board from liability for any good faith actions taken beyond the scope of their respective authority. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties by having a severability of interests endorsement. The premiums for such insurance shall be common expenses payable out of the proceeds of the assessments required by and collected in accordance with this Article V. The Association shall also have the authority and responsibility to obtain and maintain insurance policies covering the Common Area against loss or damage by fire and such other hazards contained in customary fire and extended coverage, vandalism and malicious mischief endorsements as the Association may deem desirable. The Association shall also have the authority to obtain such other kinds of insurance as the Association shall from time to time deem prudent.

5.7. The Board, officers of the Association and the employees and agents of any of them shall not be liable to the Owners or any other person for any mistake of judgment or for any acts or omissions of any nature whatsoever in their respective positions, except for such acts or omissions found by a court of competent jurisdiction to constitute willful misfeasance, gross negligence or fraud. The Owners shall indemnify, hold harmless, protect and defend the foregoing parties against all claims, suits, losses, damages, costs and expenses, including without limitation, reasonable attorney's fees and amounts paid in reasonable settlement or compromise incurred in connection therewith. The burden of the foregoing indemnity shall be borne by the Owners at the time such loss, damage, cost or expense is incurred in the same proportion as assessments are borne by the Owners as provided in Article VI hereof. **TRIAL BY JURY IS HEREBY EXPRESSLY WAIVED FOR THIS ARTICLE V.** To the extent possible, the Board's and Association's liability hereunder and the Owner's indemnification obligation shall be insured by means of appropriate contractual endorsements to the comprehensive general liability insurance policies held from time to time by the Association.

5.8. Mediation/Arbitration. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if said dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation administered by the United States Arbitration & Mediation under its Commercial Mediation Rules, before resorting to arbitration. Thereafter, the Association may if it elects to do so, reference any unresolved controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be settled by arbitration administered by the United States Arbitration & Mediations in accordance with its Commercial Arbitrations Rules, and judgment upon the Award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Under no circumstance shall the arbitrator award punitive, consequential, incidental or any other damages (except actual) against the Association and all fees incurred by the Association to the United States Arbitration & Mediation shall be paid by the Owner.

5.9.

(a) Until the Turnover Date, the Developer shall have all the rights and powers herein granted to the Association and shall be authorized and empowered to exercise all power and authority of the Board.

(b) Until the Turnover Date, Developer shall have the right, but not the obligation, to maintain the Common Area and all signs and monuments located thereon and, in its sole discretion, pay all expenses and costs arising in connection with the Common Area, including, without limitation, the cost of improving and maintaining the Common Area (and any signs and monuments located thereon) and general real estate taxes payable in connection with the Common Area.

(c) Developer shall be entitled at all times to conduct sales of Lots from the Property and shall have the right, for itself and its agents, employees, guests and invitees, to utilize the Common Area and all other portions of the Property, excluding sold Lots, for such purposes until all Lots are sold. Developer may at all times utilize signage, lighting and establish sales offices and model homes as required to conduct its sales and marketing of the Property as Developer determines in its sole and absolute discretion.

ARTICLE VI

ASSESSMENTS

6.1. Each Owner, by taking title to a Lot, shall be deemed to have covenanted and agreed to pay to the Association annual assessments or charges and special assessments for capital improvements and unforeseen expenses, to be collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a lien on the Lot against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorneys' fees shall be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation of an Owner shall not pass to his successors in title unless expressly assumed by them.

6.2. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents of the Subdivision and in particular for the improvement and maintenance of the Subdivision, services and facilities devoted to these purposes and related to the use and enjoyment of the Common Area. Such uses shall include, without limitation, the cost of all general real estate taxes, insurance, repair, replacement and maintenance and other charges required or permitted by this Declaration and the cost of those items that the Board shall determine to be necessary or desirable to meet the purposes of the Association, including without limitation the establishment and maintenance of a Contingency and Replacement Reserve. The annual assessments provided for herein shall commence for each Lot on the first day of the month following delivery of a Deed to an Owner.

6.3. Each year on or before November 1, the Board will estimate the total amount of maintenance expenses necessary to pay the cost of wages, materials, taxes, insurance, services, supplies and any other necessary or desirable items which will be required during the ensuing calendar year (January 1-December 31) for services authorized by the Board, and shall, on or before December 1, notify each Owner in writing of the amount of such estimate ("Estimated Cash Requirement"). Such Estimated Cash Requirement shall be prepared on a line-item basis. The Estimated Cash Requirement shall be assessed equally among all of the Owners excluding the Declarant and Developer. On or before January 1 of the ensuing fiscal year, each Owner shall be obligated to pay to the Board, or as it may direct, the annual assessment made pursuant to this Section 6.3. On or before the date of the annual meeting of each calendar year, the Board shall furnish to all Owners an itemized accounting of the maintenance expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected from the Owners pursuant to assessments made during such year and showing the net amount over or short of the actual expenditures, plus reserves. The Board shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment or nonpayment of any assessment thereon.

6.4. The Board may, at any time, levy a special assessment, which shall be assessed equally among the Owners, excluding the Declarant and Developer. The Board shall serve notice of any such special assessment on all such Owners by a statement in writing giving the amount and reasons

therefore, and such special assessment shall become effective and fully payable ten (10) days after the delivery or mailing of any such notice of assessment.

6.5. When the first Board elected by the Members hereunder takes office, it shall determine the Estimated Cash Requirement for the period commencing on the first day of the month following the Turnover Date and ending on December 31 of the calendar year in which the Turnover Date occurs. The initial Estimated Cash Requirement shall be assessed equally among the Owners, excluding the Declarant and Developer.

6.6. The failure or delay of the Board to prepare or serve the Estimated Cash Requirement on any Owner shall not constitute a waiver or release in any manner of any Owner's obligation to pay his share of such Estimated Cash Requirement as herein provided, as and when the Estimated Cash Requirement shall be determined, and, in the absence of the preparation of the Estimated Cash Requirement, the Owner shall continue to pay his share of such Estimated Cash Requirement at the then existing annual rate established for the previous calendar year, subject to adjustment at such time as the Estimated Cash Requirement has been prepared and the Owners have notified thereof.

6.7. The Board shall keep full and correct books of account in the chronological order of the receipts and expenditures pertaining to the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses so incurred. Such records and the vouchers authorizing the payments described therein shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, or any holder of a Mortgage at such reasonable time or times during normal business hours when requested by an Owner or by the holder of a Mortgage. Upon five (5) days' prior written notice to the Board, any Owner shall be furnished a statement of his account, which statement shall set forth the amount of any unpaid assessments or other charges due and owing from such Owner.

6.8. All funds collected hereunder shall be held and expended for the purposes designated herein, and are hereby held in trust for the benefit, use and account of all Owners. All funds not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

6.9. Any assessments or other charges which are not paid when due shall be delinquent. If the assessment or charge is not paid within thirty (30) days after the due date, the assessment shall bear interest from and after the due date at the lesser of the rate of twelve percent (12%) per annum or the highest rate allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Owner's Lot, and interest, costs and reasonable attorneys' fees incurred in any such action shall be added to the amount of any such overdue assessment. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fess as above provided, shall be and become a lien (which the Board may record a memorandum of lien if it so desires) or charge against the Lot of any such Owner when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of mortgage liens against real estate. The directors of the Board and their successors in office, acting on behalf of the other Owners, shall have the power to bid in the interest so foreclosed at any foreclosure sale, and to acquire and hold, lease, mortgage and convey any interest so acquired. To the fullest extent permitted by law, any court

shall be authorized to restrain the defaulting Owner from reacquiring his interest at such foreclosure sale.

6.10. In addition to the rights and remedies set forth in Section 6.9, if any Owner shall default in the payment, when same shall be due, of the aforesaid charges or assessments and said default shall continue for thirty (30) days after written notice to said Owner by the Board, of the amount of unpaid charges or assessments and a demand for payment thereof, the Board shall have the right to declare said default a forcible detainer of the Dwelling and shall have the right, on behalf of the other Owners, to enter and take possession of the Dwelling from any defaulting Owner, to put out said Owner, or any occupant or tenant claiming by, through or under said Owner, using such reasonable force as the Board shall deem necessary under the circumstances and, in addition, to exercise any other rights or remedies provided in the Forcible Entry and Detainer Act of the State of Illinois.

6.11. The lien of assessments provided for herein shall be subordinate to the lien of any Mortgage now or hereafter placed on the Lots. In the event of the issuance of a deed pursuant to the foreclosure of such prior Mortgage or in lieu of such foreclosure, the grantee of such deed shall take title free and clear of any lien for assessment authorized by this Declaration so long as any such lien shall have arisen prior to the date of recording of any such deed.

ARTICLE VII

Easements

7.1. All easements as shown on the Subdivision Plat shall be, and the same are hereby set aside and reserved for the wires, pipes, water meters, gas meters, and main sewer drainage and other subdivision essentials and facilities which either benefit the Developer, the County, the Municipality or any other governmental entity, which has control over the Subdivision.

7.2. All utilities wires, pipes, and lines including telephone, electric, gas and water shall be buried underground (except to the extent that emergency and construction standards require otherwise), unless otherwise approved by the Developer.

7.3. No building or structure nor any part thereon, retaining wall, walk, driveway or other interfering obstruction may be erected, constructed or maintained within, on or over an easement, as shown on the Subdivision Plat, or which may hereafter be established, without the approval of the Developer and the utility companies, which may be using said easement for their facilities, underground cables, or pipes, etc., except that a driveway may be constructed across any easement adjacent to any street within the Subdivision.

7.4. It is expressly declared and provided, however, that Declarant reserves and retains, so long as Declarant remains the Owner of any one or more Lots within the Property, the right, title and privilege to eliminate any one or more of the easements, or any part or parts thereof, but there shall at the time be provided for each Lot affected thereby and for the building or structure, which may then or thereafter be erected thereon, proper facilities as adequate as those eliminated. It is further expressly declared and provided that Declarant, during said period of time, shall have the right to designate additional easements, other than those platted, to adequately serve any Lot in the Property or the Subdivision, as Declarant deems best or desirable, as described by Declarant in its sole and absolute discretion, including without limiting the rights, title and easement to go on to each Lot to perform any

landscaping as provided herein. Any elimination, designation or creation of any easement, easements, or any part of parts thereof shall become effective upon the execution by Declarant of any appropriate instrument thereto, which shall be duly acknowledged and recorded in the Recorder's Office of Madison County, Illinois.

7.5. The Owner of each Lot shall at all times, with respect to said easement or any part thereof, properly care for same, and keep same free from unsightly accumulation, weeds, debris, or other such matters. No easement or right of access shall be granted or permitted across, through or over any Lot, the effect of which would be to provide access for vehicular or other traffic into or out of said Property or the streets or roads thereof, nor shall any Lot be used in any manner to provide such access.

7.6. The easements created by and on the Subdivision Plat are for the benefit of the Lots within the Subdivision and not the general public. Declarant reserves the right to prohibit access or use of any easement by adjacent owners or owners of property lying nearby or across any roadway. No utility shall be extended to any adjacent Lot nearby or across any road in the Subdivision without the express written consent of Declarant.

ARTICLE VIII

General Provisions

8.1. The covenants and restrictions of this Declaration shall run with the land, and shall inure to the benefit of and be enforceable by the Developer, any eventual homeowner's association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded in the Office of the Recorder of Deeds of Madison County, Illinois, after which time said covenants shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinabove provided.

8.2. If and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting restraints on alienation, or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time during which such covenants may be valid, then said covenant shall continue and endure only until the expiration of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of Donald Osborn, living at the date of this Declaration.

8.3. If at any time or times the Developer or any eventual homeowner's association shall deem it necessary or advisable to rerecord this Declaration or any part hereof in the Office of the Recorder of Deeds of Madison County, Illinois, in order to avoid the expiration hereof or of any of the covenants or other provisions herein contained under any of the provisions of 735 ILCS 5/13-118 *et seq.*, or any other law or statute of similar purport, such rerecording shall be binding upon all Owners of any part of the Property in every way and with all the full force and effect as though such action were taken by each of said Owners and the rerecorded document executed and acknowledged by each of them.

8.4. Each grantee of Declarant by taking title to a Lot, and each purchaser under any contract for a deed of conveyance pursuant to which said grantee will take title, accepts said title subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such person in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance, or in any mortgage or trust deed or other evidence of obligation, and the rights described in this Section 8.4 or described in any other part of this Declaration shall be sufficient to create and reserve such rights to the respective grantees, mortgagees and trustees of such Lot as fully and completely as though such rights were recited fully and set forth in their entirety in any such documents.

8.5. Developer and, except as otherwise provided herein, each Owner from time to time shall have the right jointly and separately to sue for and obtain a prohibitive or mandatory injunction to prevent the breach of, or to enforce the observance of, the covenants and obligations above set forth, or any of them, in addition to the right to bring a legal action for damages. Whenever there shall have been built (or whenever there is being built) on any Lot any Improvement which is and remains in violation

of the covenants above set forth, or any of them, for a period of thirty (30) days after delivery of written notice thereof (in the manner provided in Section 8.13 hereof from Developer or any eventual homeowner's association to the Owner of any such Lot,) then Developer or any eventual homeowner's association shall have, in addition to the foregoing rights, the right to enter upon the property where such violation exists and summarily to abate or remove it at the expense of the Owner, and such entry and abatement or removal shall not be deemed a trespass. In no event shall the failure of Developer to enforce any of the covenants or obligations herein provided due to a particular violation be deemed to be a waiver of the right to do so respecting any such violation or any subsequent violation. Notwithstanding anything in this Declaration to the contrary, the Owner shall not have the right to seek a prohibitive or mandatory injunction or to obtain damages from the Declarant but only to obtain declaratory relief with respect to any disagreement over interpretation of the Declaration, which must be resolved by the dispute resolution procedures as stated in Section 5.8 of this Declaration, and the Owners shall not be able to collect any attorneys' fees or costs with respect to any action brought against the Declarant as stated herein AND HEREBY WAIVES THE RIGHT TO TRIAL BY JURY.

8.6. Declarant hereby reserves the right and power to record a special amendment (hereinafter the "Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans' Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages encumbering any Lot, (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (iv) to amend, modify, change in whole or in part by the Developer in order to, among other things, correct deficiencies of this Declaration as

determined to exist by the Developer, and to give effect all of the rights, obligations and duties created or contemplated herein. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Said power shall be irrevocable and is coupled with an interest. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power of the Declarant to vote in favor of, make, execute and record Special Amendments. Subject to the provisions of Section 8.11 hereof, the right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds title to any Lot.

8.7. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for development for the Property. Under no circumstance shall the provisions of this Declaration be construed or otherwise interpreted against the Developer.

8.8. In the event title to any Lot is conveyed to a titleholding trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be personally responsible for payment of all obligations, liens or indebtedness and for the performance of all agreements, covenants, obligations and undertakings chargeable or created under this Declaration against any such Lot. No claim shall be made against any such titleholding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply, in whole or in part, against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon said Lot and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to any such Lot.

8.9. All headings set forth herein are intended for convenience only and shall not be given or construed to have any substantive effect on the provisions of this Declaration. The singular shall include the plural wherever the Declaration so requires, and the masculine the feminine and neuter and vice versa.

8.10. If a court of competent jurisdiction shall hold invalid or unenforceable any part of this Declaration, such holding shall not impair, invalidate or otherwise affect the remainder of this Declaration which shall remain in full force and effect.

8.11. Notwithstanding anything herein to the contrary, the Developer hereby reserves the right to transfer, assign, mortgage or pledge any and all of either's respective privileges, rights, title and interests hereunder, or in the Property, by means of recording an assignment of such with the Office of the Recorder of Deeds of Madison County, Illinois. Upon such assignment, Developer shall be relieved from any and all liability arising from the performance or non-performance of such rights and obligations accruing from and after the recording of such assignment. No such successor assignee of the rights of the Developer shall have or incur any liability for the obligations or acts of any predecessor in interest.

8.12. Developer may, at its sole discretion, from time to time, elect to bring within the scheme of this Declaration certain portions of additional property, including without limitation the Contract Property. Developer is not obligated in any manner by this Declaration to annex said additional property or the Contract Property to the Property or to annex any particular tract, or to annex tracts in any particular sequence, or to annex contiguous tracts, it being the intention hereof that Developer may decline to exercise the rights granted in this Section 8.12 or may elect to exercise such rights only to a limited extent. The additions authorized by the following and succeeding provisions of this Section 8.12 shall be made by recording in the Office of the Recorder of Deeds for Madison