

COPPERFIELD OF HAWTHORN WOODS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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THIS DECLARATION is made this 16th day of September, 1988 by THE FIRST ILLINOIS BANK OF WILMETTE, not individually, but as Trustee under Trust Agreement dated June 9, 1987 and known as Trust No. TB 30585 (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the title holder of that certain real property situated in the Village of Hawthorn Woods, Lake County, Illinois, being the development known as Copperfield of Hawthorn Woods and legally described in Exhibit "A" appended hereto and made a part hereof (hereinafter referred to as "Property"); and

WHEREAS, the Property consists of eighty-seven (87) residential lots to be conveyed to parties who will be constructing residential dwellings thereon; and

WHEREAS, the Property also consists of a Landscape Easement and Detention Areas over certain lots, for the use and enjoyment of the Lot Owners as designated on the Plat (all as hereinafter defined); and

WHEREAS, adjacent to the Property is a common open space area known as and hereinafter referred to as "Outlot A", being described as such on the Plat; and

WHEREAS, Declarant intends to convey or has conveyed Outlot A to the Village of Hawthorn Woods and shall grant certain easements over said Landscape Easement, Detention Areas and other improvements installed by Declarant to the various Lot Owners and to an Illinois not-for-profit corporation known as THE COPPERFIELD OF HAWTHORN WOODS HOMEOWNERS ASSOCIATION (hereinafter referred to as the "Association"); and

WHEREAS, Declarant intends to subject the Property to the covenants, conditions and restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Association; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities of the subject development to create the Association for the purpose of

maintaining and keeping in their natural state, where applicable, the Landscape Easement and Detention Areas (as hereinafter defined) and any improvements or landscaping thereon, other landscaping and improvements installed by Declarant, for administering and enforcing the covenants, conditions and restrictions and for collecting and disbursing the assessments and charges hereinafter created;

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

ARTICLE I

Definitions

1. "Owner" or "Lot Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation. Declarant shall, as long as it owns Lots, be an Owner.

2. "Association" shall mean and refer to The Copperfield of Hawthorn Woods Homeowners Association, a not-for-profit corporation under the General Not-For-Profit Corporation Act of the State of Illinois, its successors and assigns, which is hereby established by this Declaration. Said corporation shall be the governing body for all of the Owners with respect to the administration, maintenance, repair and replacement of the portions of the Property as provided by this Declaration and the By-Laws; and said corporation shall be the legal representative for all matters and claims relating directly or indirectly to

the Landscape Easement, Detention Areas or matters of common interest to all Owners. A copy of the initial By-Laws of the Association is attached hereto and made a part hereof as Exhibit "B" and by reference incorporated herein as if fully set forth.

Each owner shall automatically become and be a member of the Association so long as he continues as an Owner. Upon the termination of the interest of an Owner, his membership shall thereupon automatically terminate and transfer and inure to the new Owner succeeding him in interest.

3. "Property" shall mean and refer to the development known as Copperfield of Hawthorn Woods, consisting of 123.3 acres, as legally described in Exhibit "A" appended hereto and made a part hereof, except for Outlot A.

4. "Outlot A" shall mean and refer to the real property and any improvements thereon consisting of a park, open space area or pond(s) designated and legally described as Outlot A in the Copperfield Plat of Subdivision, the legal title to which has been or is to be hereafter dedicated to the Village of Hawthorn Woods.

5. "Lot" shall mean and refer to the plots of land so shown and designated upon a recorded subdivision plat of the Property to be used for residential purposes with the exception of Outlot A.

6. "Detention Areas" shall mean and refer to areas which are as indicated by the Declarant's site plan over, upon and part of the rear portions of various Lots and maintained by the Lot Owners of said Lots, with the right of the Association to do so in absence of the Lot Owners. However, if a Detention Area or any part thereof is ever designated as a "Wetland Area" by the United States Army Corps of Engineers, the land and vegetation thereon shall not be maintained by the particular Lot Owner, but shall be left in its natural, undisturbed condition. There shall be no improvements or structures built on any Detention Area.

7. "Landscape Easement" shall mean and refer to a fifty (50) foot easement for landscape purposes on either side of the Property running over, upon and through various Lots off Old McHenry Road and Copperfield Drive for the benefit of all Lot Owners to be maintained by the Association, and includes monument and entryway signage thereon.

8. "Village" shall mean and refer to the Village of Hawthorn Woods, an Illinois municipal corporation, its successors and assigns.

9. "Declarant" shall mean and refer to the First Illinois Bank of Wilmette, as Trustee under Trust Agreement dated June 7, 1987, and known as Trust No. TB 30585, its successors and assigns who are designated as such in writing by Declarant and who consent in writing to assume the duties and obligations connected therewith.

10. "Declaration" shall mean the within instrument, together with those exhibits which are appended hereto and made a part hereof, and shall include such amendments, if any, to the within instrument as may be from time to time adopted pursuant to the terms hereof. The within Declaration may be referred to in any other document as The Copperfield of Hawthorn Woods Declaration of Covenants, Conditions and Restrictions.

11. "Plat" shall mean and refer to the Copperfield of Hawthorn Woods Plat of Subdivision for the Property recorded in Lake County, Illinois as Document No. _____ and any amendment thereto.

ARTICLE II

Property Rights

1. Easements in Favor of the Village. The duly designated officials, employees and agents of the Village of Hawthorn Woods, and of other governmental bodies having jurisdiction over the Property, shall have an easement to enter upon, on and over the Property (including the Detention Areas and Landscape Easement) for the purposes of maintaining any drainage or utility systems and enforcing the applicable health,

fire, and safety ordinances, rules and regulations of the said Village and governmental bodies and to correct or eliminate nuisances or violations resulting from the failure to exercise maintenance responsibilities by either an Owner or the Association.

2. Association's and Declarant's Easements. The Association shall have an easement for ingress and egress in and to the Landscape Easement, Detention Areas and any Lots encumbered thereby for the purpose of maintaining landscaping, signage and other amenities or structures thereon and to insure that the Detention Areas are maintained in a natural state (except for normal grass or weed cutting on the non-"Wetland Areas" which shall be the responsibility of the particular Lot Owner) which shall be a "Common Expense", as hereinafter defined. The Association and Village are also hereby granted ten (10) foot easements for grading in order to maintain a certain ground slope as delineated and stated on the Plat.

During the period of construction and/or marketing of the Property, and as long as Declarant owns any Lots, Declarant shall have the right of ingress and egress, and the right to install or construct any improvements, over, across and through any part of the Property.

All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of and be binding upon the undersigned, all of its grantees and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions 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 if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

3. Title to Outlot A. The Declarant hereby covenants, for itself, its successors and assigns, that it has already or shall dedicate and transfer to the Village fee simple title to Outlot A, existing utility easements granted or to be granted for sewer, water, gas, electricity or telephone and any other necessary utilities and public dedications to other public bodies. Said fee simple title shall be free of all encumbrances and liens other than those aforescribed.

The Declarant shall maintain and repair from assessments collected at the closings of the Lots any landscape or other maintenance required on the Landscape Easement for the benefit of the Association until said time as it relinquishes control of the Association as hereinafter described in Article III, Section 2b.

ARTICLE III

Membership and Voting Rights

1. Every Owner of any Lot which is subject to assessment, in whole or in part, shall automatically be a member of the Association and shall remain such so long as he remains an Owner of a Lot subject hereto. Declarant shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

2. The Association shall have two (2) classes of voting membership:

a. Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

b. Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned; provided, however, that the Declarant shall be entitled to only one (1) vote per Lot upon the happening of the following events, whichever occurs earliest:

(i) when seventy-five percent (75%) of the Lots have been sold and conveyed by the Declarant to purchasers;

(ii) seven (7) years after the date the first Lot is conveyed by the Declarant to another Owner; and

(iii) upon written notice of election by Declarant sent to the Association as of the date specified in said Notice.

ARTICLE IV

Covenants for Maintenance Assessments

1. Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Lot (except as otherwise specifically provided by the provisions of Article IV, Paragraph 7 hereof), by acceptance of a deed therefor or otherwise, whether or not it shall be so expressed in any such deed or other conveyance, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association for each Lot owned (or to a management company or other collection agency designated by the Association):

a. Annual assessments or charges to be paid annually due on the first (1st) day of January of each year or on such other annual basis as the Board of Directors of the Association shall determine; and

b. Special assessments for any purpose, including for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided.

The assessments thus collected by the Association shall constitute the maintenance fund of the Association. The first year's assessments for all Lot Owners shall be collected at the closing of each Lot by Declarant. Thereafter, assessments shall be due on January 1st for the year following, being January 1, 1989 for the year 1989. Assessments collected by Declarant at closing shall be held by the Declarant and used for the benefit of the Association until control of the Association is relinquished to the other Lot Owners as hereinabove described in Article IV, Section 2b. The annual and special assessments, together with such interest thereon and costs of collection thereof, including, but not limited to, reasonable attorneys' fees, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with such

interest thereon and cost of collection thereof, including, but not limited to, reasonable attorneys' fees, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such Lot at the time when the said assessment fell due.

2. Purpose of Assessments. Each Owner shall pay to the Association assessments representing his proportionate share of the expenses of landscape, maintenance, administration and operation of the Landscape Easement, including, but not limited to, insurance, maintenance of any monument or entryway signage, any entry landscaping and any capital expenses. The assessments for all Lot Owners shall be equal and shall not be waived. Said expenses hereinabove referred to shall be known as "Common Expenses". The assessments levied by the Association shall be used to pay Common Expenses. Assessments shall be used exclusively to promote the recreation, health, safety, morals and welfare of the residents on the Property and for the improvement, repair, upkeep and maintenance of the Landscape Easement and any expenses in connection therewith. To the extent, if at all, that any assessments for any fiscal year are not expended by the Association, any such savings shall be applied by the Association in reduction of its budget and the annual assessments to the Owners for the following year, except with respect to amounts held by the Association as reserves which shall be deemed to be held by the Association in trust for the members for the uses and purposes for which such reserves have been established. Any interest of any Owner in and to such reserve funds shall be deemed appurtenant to such Owner's membership and shall automatically transfer and inure to such Owner's successor in interest.

3. Computation of Assessments. Payments of assessments shall be in such amounts and at such times as provided below:

a. On or before November 1, 1989 and on or before each November 1st thereafter, the Board of Directors shall estimate the total amount necessary to pay the cost of taxes, wages, materials, insurance, services and supplies relating to maintenance of the Landscape Easement and such other items as provided

for herein and in the By-Laws of the Association which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount necessary for a reserve for contingencies and replacements, and shall, on or before December 1st of each year, notify each Owner in writing as to the amount of such estimate with reasonable itemization thereof. The Association shall vote on and approve such estimated budget in its original or in any amended form by a vote of the majority present at a meeting duly held where a quorum is present (as defined in the By-Laws) before January 1st of the following year upon fifteen (15) days written notice. All obligations of the Owners hereunder, including, but not limited to, the Common Expenses for assessments, special assessments or other levies by the Association pursuant to this Declaration or the By-Laws of the Association shall be determined by multiplying the amount of such assessment, special assessment or levy by a fraction, the numerator of which is the number of Lots owned by the Owner and the denominator of which is the number of Lots subjected from time to time to the terms and conditions of this Declaration, subject, however, to the provisions of Article IV, Paragraph 7 hereof. On or before January 10th of the ensuing year, each Owner shall be obligated to pay to the Board of Directors, or as it may direct, the annual assessment made pursuant to this Paragraph. On or before the date of the annual meeting of each calendar year, the Board of Directors shall supply all Owners with an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided and showing the net amount over or under the actual expenditures, plus reserves. In any given year, any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited equally to each Owner by applying any such excess, as the Board of Directors sees fit, to expenses and/or reserves for the subsequent year.

b. If said estimated cash requirement proves inadequate for any reason, to defray the operating expenses and costs during any given year, then the Board of Directors shall be authorized to adopt a supplemental budget or budgets and shall adjust the assessments accordingly. The Board of Directors shall serve notice of such further or additional assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further or additional assessment shall become due thirty (30) days after the delivery or mailing of such notice. Any increase in the annual assessment in excess of ten percent (10%) of the approved assessment must be approved by two-thirds (2/3) of each class of members voting in person or by proxy at a meeting duly called for such purpose.

c. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any taxes, construction, reconstruction, repair or replacement of a capital improvement upon the Landscape Easement, including fixtures and any personal property related thereto or for any other capital improvement that it deems necessary; provided, that any such assessments in any assessment year shall have the assent of two-thirds

(2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for the purpose. Any such assessment shall be levied equally per Lot against each Owner.

d. The Board of Directors shall establish and maintain reasonable reserves for contingencies and replacements as it shall deem necessary, and any extraordinary expenditures not included in the estimated cash requirements shall be first charged against such reserve in the year of such expenditure. If such reserves are depleted or, in the opinion of the Board of Directors, significantly reduced, then any supplemental budget or the next regular estimated cash requirements shall provide for the re-establishment of such reserves as the Board shall deem reasonably appropriate.

e. The failure or delay of the Board of Directors to prepare or serve the annual or adjusted estimate, or the itemized accounting or other document on the Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs, necessary reserves or adjusted assessments as herein provided whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay monthly or yearly charge at the then existing monthly or yearly rate established for the previous period until notice of the maintenance payment which is due more than thirty (30) days after such new annual or adjusted estimate shall have been mailed or delivered.

f. The Board of Directors shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Landscape Easement and the Association specifying and itemizing the maintenance and repair expenses for the Landscape Easement and any other expenses incurred. Such records shall be available for inspection by any Owner or first mortgagee of record at such reasonable time or times during normal business hours as may be requested by the Owner or mortgagee.

g. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use or abandonment of his Lot. Except as otherwise provided elsewhere herein, an Owner shall personally be liable for the annual assessment payable in such year; and the Owner, as of the date of any levy of a special assessment, shall be personally liable for such assessment.

4. Date of Commencement of Annual Assessments; Due Dates.

The period for the annual assessments provided for herein shall commence for all Lots on the first (1st) day following the conveyance of said Lot from the Declarant. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board of Directors for the issuance of

these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

5. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall become a lien on the Lot in question, shall bear interest from the date of delinquency at the maximum allowed by law, and the Association may proceed in equity to foreclose the assessment lien and/or bring an action at law against the Owners of the Lot and interest costs and reasonable attorneys' fees of any such action(s) shall be added to the amount of such assessment and judgment.

6. Subordination of the Lien to Mortgage. The lien of the assessment provided for herein shall be subordinate to the lien of any bona fide first mortgage (or equivalent security interest) on a Lot recorded prior to the date upon which such assessment became due, except for the amount of assessments which become due and payable from and after the date on which said mortgage owner or holder either takes possession of the Lot (by receiver or otherwise) or accepts a conveyance of any interest therein (other than as security). No sale or transfer shall relieve such Lot and its new Owner from liability for any assessments thereafter becoming due or from the lien thereof.

7. Exempt and Partially Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein:

a. All properties dedicated to and accepted by a local public authority and properties granted to or used by a utility company; and

b. Each of the Lots prior to the time that said Lot is conveyed by the Declarant to a purchaser.

Once an exemption is created pursuant to this subparagraph b, it shall continue until such time as the Declarant conveys said Lot to a purchaser or to a public authority or utility company as hereinabove provided, at which time the exemption created

hereunder shall cease and said Lot shall be subject to all of the terms and conditions of this Declaration.

ARTICLE V

Maintenance

The Association shall landscape and maintain and keep in repair any grading easements and the Landscape Easement, including any improvements thereon. The Association or Owners shall not conduct any activities which would adversely affect the overall functioning of the Detention Areas as open space area to be conserved as such. The Association shall be solely responsible to establish rules and regulations for the Property subject to all Village ordinances.

ARTICLE VI

Architectural Controls

1. Purpose. It is understood and agreed that the purpose of the architectural controls set forth herein is to secure an attractive and harmonious development. The Board of the Association, by its duly authorized Architectural Control Committee, as hereinafter defined, shall have the right and power to adopt reasonable rules and regulations governing architectural design of all structures and improvements, subject to all Village codes and ordinances. The provisions of this Paragraph and the entire Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan of operation for a desirable and harmonious development.

2. Restrictions on Construction, Submission to Committee. No site development plans, including clearing or grading of any Lot, new structure, ancillary building, fence or antenna shall be constructed on any Lot or connected to any existing structure, nor shall any addition to, change or alteration of the exterior of any structure located on a Lot be permitted, except if such shall be approved by the Board through its Architectural Control Committee (hereinafter referred to as the "Committee") and the appropriate authorities of the Village. Fences shall not be permitted, however, in unique circumstances,

exceptions will be considered with the prior written approval of the Architectural Control Committee, the Building Committee of the Village and the Village of Hawthorn Woods. Submission to the Committee shall not apply to any construction performed at any time by Declarant. Except for Declarant, if an Owner desires to construct, alter, add to or change the exterior of any structure located on his Lot in any manner or construct a fence or antenna upon his Lot, then such Owner shall submit plans and specifications showing the nature, kind, height, shape, material and location of same to the Board through its Architectural Control Committee of not less than three (3) members which shall be appointed by the Board on an annual basis. As long as Declarant owns any Lots, two (2) representatives of Declarant shall be members of said Committee.

3. Decisions of Committee and Board. The Committee shall consider any such request on the basis of its harmony of external design and location in relation to surrounding structures and topography subject to all necessary approvals of the Village of Hawthorn Woods, and shall further, within thirty (30) days after the submission of such plans and specifications, approve or disapprove any such request in writing. Said Committee shall furnish the Board with a copy of its approval or disapproval and the Board shall then confirm, modify or reverse the Committee's action, however, the Board shall not confirm, modify or reverse the Committee's action if Declarant's representatives still serve on the Committee. In the event the Committee fails to so approve or disapprove such a request within thirty (30) days after such plans and specifications are submitted for any reason, such request will be deemed disapproved. The members of the Committee shall not be held personally liable to the Lot Owners for any mistake in judgment or for any acts or omissions (except for willful misconduct or gross negligence) made by them as such Committee members and they shall be indemnified and held harmless by all Lot Owners. All architectural or engineering fees incurred by the Committee

to review an Owner's plans and specifications shall be paid by the Owner, however said fees shall be mutually agreed upon in advance of their review and evaluation. The plans and specifications of an Owner may be pre-approved by the Declarant at a time prior to Declarant relinquishing control of the Association as hereinabove provided in Article III, Section 2b, in which case Committee approval shall be deemed unnecessary, provided construction on the approval commences within two (2) years from the date it was issued. Nothing previously set forth in this Article VI shall be construed as to be applicable to construction activities of Declarant. The Plat also states certain restrictions regarding construction on certain lots that abut and adjoin Old McHenry Road in Note 4 thereof which require residences constructed on Lots 1, 10, 11, 13, 14, 16, 17 and 58 through 60, both inclusive, shall not front or face Old McHenry Road and no vehicular access shall be permitted from any of said lots onto Old McHenry Road.

ARTICLE VII

External Control

1. Nuisances and Construction Activities. No noxious or offensive activity shall be carried on upon any of the Lots, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. During construction Activities on any Lot, the Owner and his employees, contractors or agents, shall not cause damage by said activities to any other Property, including, the streets, and any such damage shall be promptly repaired by said Owner. In addition, no Owner, by or through his employees, contractors or agents shall cause topsoil, dirt or other materials or debris to be dumped or stored on any other Property nor shall any materials be taken from any other Property, excluding construction activities of Declarant.

2. Structures. Except for Declarant's use, no structure of a temporary or permanent character, including, without limiting the generality thereof, trailer, basement, tent, shack,

garage, barn or other outbuilding or residence, shall be used on any of the Detention Areas, either temporarily or permanently.

3. Detention Areas. All areas designated as Detention Areas on certain Lots on the Declarant's site plan shall be maintained in a natural and undisturbed condition without any structures or grading being permitted thereon. Vegetation on the Detention Areas shall be mowed and maintained by the Lot Owner, with the right of the Association to do so in the absence of the Lot Owners, however, any portions of the Detention Areas designated as "Wetland Areas" by the United States Army Corps of Engineers ("the Corps") shall be preserved and maintained and shall not be mowed, cultivated, sprayed or disturbed without following the procedures set forth by the Corps and the Village of Hawthorn Woods.

4. Signs. Except for Declarant's use, no advertising sign nor any billboards of any kind shall be displayed to the public view on the Property, except that individual "for sale" and other signs may be permitted as approved by the Committee and the Village.

5. Campers and Recreational Vehicles. No campers, vans, pick-up trucks, recreational vehicles and other types of non-passenger vehicles and accessories may be kept on the Landscape Easement. The Board shall have the power to further regulate these vehicles upon any of the Lots.

6. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Lots, except that dogs, cats and other household pets shall be allowed (for other than commercial purposes) subject to such rules and regulations as may be enacted by the Board from time to time.

7. Garbage and Refuse Disposal. None of the Lots shall be used or maintained as a dumping ground for rubbish.

8. Residential Purposes Only. The Lots shall only be used for residential purposes and no part of any of the Lots shall be used for commercial, manufacturing or industrial purposes.

ARTICLE VIII

Utility Easements

Dedicated streets and certain Lots will be subject to utility easements in favor of any applicable governmental agency and/or public utility company for sewer, water, gas, electricity, telephone and any other necessary utilities. Any and all utility easement provisions on the Plat shall be adhered to as if fully set forth herein.

ARTICLE IX

General Provisions

1. Insurance. The Board of Directors shall have the authority to and shall obtain insurance for any structures or improvements on the Landscape Easement against loss or damage by fire and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost thereof. The Board of Directors shall also have the authority to and shall obtain comprehensive public liability insurance in such limits as it deem desirable and other liability insurance as it may deem desirable insuring the Association and Board of Directors with respect to the Landscape Easement. The premiums for all insurance purchased pursuant to the provisions of this Paragraph shall be Common Expenses and shall be paid at least thirty (30) days prior to the expiration date of any policy.

2. Remedies. In the event of any default by any Owner under the provisions of the Declaration, By-Laws or Rules and Regulations of the Association, the Association and the Board of Directors shall have each and all of the rights and remedies which may be provided for in this Declaration, the By-Laws and said Rules and Regulations and those which may be available at law or in equity and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or

injunction, for specific performance, for judgment for payment of money and collection thereof, for any combination of remedies or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the maximum rate permitted by law, from the due date until paid, shall be charged to and assessed against such defaulting Owner and shall be added to and deemed part of his respective share of the Common Expenses (to the same extent as the lien provided herein for unpaid assessments) upon the Lot and upon all of his additions and improvements thereto and upon all of his personal property upon the Lot. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or the Board of Directors. The Village of Hawthorn Woods shall have the right, but not the obligation, to enforce the terms, conditions, covenants and restrictions contained herein, upon ten (10) days written notice to the Association, unless it reasonably believes that an emergency situation exists.

All of the provisions of this instrument, and those in the Articles of Incorporation and By-Laws of the Association, are mutually enforceable by and among the members of the Association. Any member who feels that a provision is being violated may petition the Association to investigate the situation. Should the Association determine that this allegation is true and that corrective action should be taken, the Association shall take whatever action is necessary to end the violation. Should the Association deem the allegation of violation as unworthy of action or fail to investigate the alleged violation within thirty (30) days of notice, then the complaining member can prosecute his claim in whatever legal manner is best suited to the situation.

3. Land Trusts. In the event title to any Lot should be conveyed to a land title-holding trust under which all powers of management, operation and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust, and the beneficiaries thereunder, from time to time shall be liable for payment of any obligation, lien or indebtedness chargeable or created under this Declaration against such Lot. No claim shall be made against any such title-holding trustee personally for payment of any claim, lien or obligation hereby created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or lien upon the premises notwithstanding any transfers or beneficial interest in the title to such real estate.

Nothing in this Paragraph 3 shall be deemed to alter or diminish the rights or remedies of the Association under Article IV, Paragraph 5 relating to the failure to pay maintenance assessments as such rights or remedies apply to the trust estate under such trust and the beneficiaries thereunder.

4. Duration and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless seventy-five percent (75%) of the votes outstanding shall have been voted to terminate the covenants and restrictions of this Declaration upon the expiration of the initial twenty (20) year period or any extension thereof, which termination shall be by written instrument signed by seventy-five percent (75%) of the Owners and properly recorded in Lake County, Illinois. This Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of the Owners and by the Declarant if the Class B membership has not theretofore terminated. Notwithstanding any provisions hereof to the

contrary, the Declarant may, at its sole discretion and without consent being required of anyone, modify, amend or repeal this Declaration at any time prior to the closing of the sale of the first Lot, provided said amendment, modification or repeal is in writing and properly recorded in Lake County, Illinois.

Declarant further reserves, prior to the closing of the sale of all of the Property, all rights which may be necessary to deal with the Property, including the right to vacate, amend or modify the plat of subdivision. No provision contained in this Declaration inuring, in whole or in part, to the benefit of the Village of Hawthorn Woods shall be amended without its express written consent.

5. Notices. Notices provided for in the Declaration or By-Laws shall be in writing and shall be addressed to the Association or to any Owner at its respective address. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, return receipt requested, or when delivered in person with written acknowledgement of the receipt thereof.

6. Severability. Invalidation of any one (1) 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.

7. Rights and Obligations. The provisions of this Declaration and the By-Laws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or the acceptance of a deed conveying a Lot or any interest therein, or any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration and the By-Laws, whether or not mention thereof is

made in said deed.

8. Miscellaneous Provisions. Any provision of the within Declaration or of the By-Laws to the contrary notwithstanding, the following provisions shall control:

a. Upon the request of any first mortgagee of a Lot (including any dwelling thereon), the Association shall furnish to such mortgagee a written notice of any default by the Owner of such Lot in the performance of such Owner's obligations under the within Declaration or the By-Laws or Association Rules and Regulations which is not cured within thirty (30) days. Any first mortgagee of a Lot who comes into possession of the said Lot pursuant to the remedies provided in the mortgage, a foreclosure of the mortgage or deed (or assignment) in lieu of foreclosure shall take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged Lot which accrued prior to the time such holder comes into title of said Lot.

b. No provision of the within Declaration or of the By-Laws or Articles of Incorporation of the Association, or any similar instrument pertaining to the Property or the dwellings thereon, shall be deemed to give an Owner or any other party priority over any rights of bona fide first mortgagees of Lots pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses.

c. There shall be included in each annual assessment levied by the Association an amount sufficient to establish an adequate reserve fund for the replacement of any improvements comprising a part of the Landscape Easement or other Association property.

d. All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Articles and Paragraphs are for convenience only and neither limit nor amplify the provisions of the Declaration unless specified reference is made to such Articles, Paragraphs or subdivisions of another document or instrument.

9. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

10. Conflicts. In the event of any conflict between this Declaration and the By-Laws or Articles of Incorporation, this Declaration shall control. In the event of a conflict between the terms and conditions contained in this Declaration and those of the Village of Hawthorn Woods ordinances, the more restrictive provision shall prevail.

11. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of the rule against perpetuities or some analogous statutory provisions, the rule restricting restraints on alienation; or any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the now living lawful descendants of James Thompson, Governor of the State of Illinois and Ronald Reagan, President of the United States of America.

12. Assignment of Rights. At any time or times, Declarant may assign any or all of its rights conferred on it by this Declaration. Upon execution of any assignment by Declarant, it shall be relieved from any liability arising from the performance or nonperformance of such rights or obligations.

* * * * *

EXHIBIT "B"

By-Laws
of
The Copperfield of Hawthorn Woods Homeowners Association

ARTICLE I

Name and Location

The name of the corporation is The Copperfield of Hawthorn Woods Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation shall initially be located in Buffalo Grove, Illinois, but meetings of members and Directors may be held at such places within the State of Illinois, County of Lake, as may be designated by the Board of Directors.

ARTICLE II

Definitions

1. The term "Declaration" shall mean The Copperfield of Hawthorn Woods Declaration of Covenants, Conditions and Restrictions to which these By-Laws have been appended as an exhibit.

2. The terms "Common Expenses", "Owner", "Property", "Detention Areas", "Village", "Plat", "Landscape Easement", "Declaration", "Lot" and "Declarant" shall have those meanings set forth in the Declaration.

3. "Association" shall mean and refer to The Copperfield of Hawthorn Woods Homeowners Association, a not-for-profit corporation created under the General Not-For-Profit Corporation Act of the State of Illinois, which corporation shall be the governing body for all of the Owners with respect to the administration, maintenance, repair, replacement and control of the Landscape Easement and certain other portions of the Property as provided by these By-Laws and the Declaration.

ARTICLE III

Meetings of Members

1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of the proper recordation of the Declaration in Lake County, Illinois

and 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 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.

2. Special Meetings. Special meetings of the members may be called at any time by the President, the Board of Directors or upon written request of the members who are entitled to vote a total of one-fourth (1/4) of the votes of the Class A membership or upon request of the Class B membership.

3. Notice of Meetings. Except as may be otherwise provided by the Declaration, 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 ten (10) 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.

4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) 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, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement of the meeting until a quorum as aforesaid shall be present or be represented.

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 Lot.

ARTICLE IV

Board of Directors; Selection; Term of Office

1. Number. The affairs of this Association shall be managed by a Board of Directors (the "Board") who need not be members of the Association. Until the first annual meeting, the Board shall consist of three (3) Directors designated by the Declarant.

2. Election. At the first annual meeting, the number of Directors shall be five (5) in number and the members shall elect two (2) Directors for a term of one (1) year and three (3) Directors for a term of two (2) years and at each annual meeting thereafter the members shall elect the vacancies for directors as they come due on the expiration of a Director's term for a term of two (2) years. Directors may succeed themselves.

3. Removal. From and after the first annual meeting, any Director may be removed from the Board, with or without cause, by a vote of seventy-five percent (75%) of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve until the time of the next election of Directors. In the event that the term of the directorship vacated as above shall not have expired at the time of the next election following the appointment of a successor by the remaining Board members as provided above, in addition to the directorships normally to be filled at that election, the members shall also elect a Director to serve the remaining unexpired terms of the directorships vacated.

4. Compensation. No Director shall receive compensation for any service he may render to the Association, however, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

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 V

Nomination and Election of Directors

1. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting. Except in the case of Declarant, such nominations shall be made from among members only.

2. Election. Election to the Board shall be by secret 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. At the first annual meeting, the three (3) persons receiving the highest number of votes shall be elected for a two (2) year term and the next two (2) persons receiving the highest number of votes shall be elected for a one (1) year term.

ARTICLE VI

Meetings of Directors

1. Annual Meetings. Annual meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board. 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.

2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any three (3) Directors, after not less than three (3) days notice to each Director.

3. Quorum. The majority of the number of Directors then constituting the Board 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.

ARTICLE VII

Powers and Duties of the Board of Directors

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

a. Adopt and publish rules and regulations governing the use of portions of the Landscape Easement and Detention Areas and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

b. Suspend the voting rights of a member during any period in which such member 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 sixty (60) days, for infraction of published rules and regulations;

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

d. Exercise all the powers and duties referred to in the General Not-for-Profit Corporation Act.

2. Duties. It shall be the duty of the Board of

Directors to:

a. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such statement is requested in writing by sixty percent (60%) of the Class A members who are entitled to vote;

b. Supervise all officers, agents and employees of this Association and see that their duties are properly performed;

c. As more fully provided in the Declaration, to:

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

(ii) send written notice of each proposed assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) foreclose the lien against any Lot Owner for which assessments are not paid within thirty (30) days after the due date or bring an action at law against the Owner personally obligated to pay same.

d. Issue, or 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 for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

e. Procure and maintain adequate liability and hazard insurance on the Landscape Easement as provided in the Declaration;

f. Cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate;

g. Cause the Landscape Easement and any other portions of the Property installed for the use of all Owners to be maintained.

ARTICLE VIII

Officers and Their Duties

1. Enumeration of Officers. The officers of this 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 may determine from time to time by resolution create.

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.

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

4. Special Appointments. The Board 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 may from time to time determine.

5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, 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.

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

7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. The president may not hold any other office.

8. Duties. The duties of the officers shall be those usually vested in their respective office of a not-for-profit corporation, including, but not limited to, the following:

a. President. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes;

b. Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board;

c. Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board 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 members of the Association, together with their addresses, and shall perform such other duties as required by the Board.

d. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and 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 account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare 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 IX

Committees

The Board of Directors shall appoint committees as deemed appropriate in carrying out its purpose, which may consist of

Board members.

ARTICLE X

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection of any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association where copies may be purchased at reasonable cost.

ARTICLE XI

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest legal rate allowed by law and the Association may bring an action at law against the Owner personally obligated to pay same or foreclose the lien against the Property, and 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 non-use of the Property or by abandonment of his Lot. Every member, except Declarant, who has mortgaged his Lot, authorizes his mortgagee to collect and pay to the Association this assessment. Should the mortgagee decline to do so, then payments shall be made periodically as determined by the Association to the Association.

ARTICLE XII

Corporate Seal

The Association shall have a seal in circular form having

within its circumference the words:

THE COPPERFIELD OF HAWTHORN WOODS HOMEOWNERS ASSOCIATION

Corporate Seal of Illinois

ARTICLE XIII

Amendments

1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of seventy-five percent (75%) of the members of the Association.

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

ARTICLE XIV

Miscellaneous

1. The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

2. With respect to each fiscal year, the Board shall estimate the amount required by the Association to meet cash requirements for such year, including, but not limited to, the following items:

a. Management and administration expenses;

b. The estimated cost of repairs, maintenance and replacements of the Landscape Easement and any other Property installed for the use of all the Owners;

c. The amount of such reserves as may be reasonably established by the Board, including general operating reserves, reserves for contingencies and reserves for replacements;

d. Such other expenses of the Association as may be approved by the Board of Directors, including operating deficiencies, if any, for prior periods.

The difference between the estimated cash requirements of the Association and any non-membership income, plus unexpected assessments for the prior year not reallocated to reserves (prior year's savings), shall be an amount referred to as membership assessments. All amounts collected by the

Association as a reserve shall be held in trust for the members in accordance with the provisions of Article IV, Paragraph 2 of the Declaration.

By November 1st of each fiscal year, the Board shall cause an estimated annual budget to be prepared based on its estimations of annual expense, any non-membership income, prior year's savings and membership assessments, and copies of such budget shall be furnished to each member, to be voted on and approved as per Article IV, Section 3 of the Declaration.

On or before the tenth (10th) day of each month of the fiscal year covered by such estimated annual budget, each member shall pay, as his respective annual assessment, his annual share of the amount designated in the estimated annual budget as membership assessments.

If any member shall fail or refuse to make payment of his share of the Common Expenses when due pursuant to the terms of the Declaration, the amount thereof shall constitute a lien on the interest of such member in the Property. The Association and the Board shall have the authority to exercise and enforce any and all rights and remedies provided in the Declaration or these By-Laws, or which are otherwise available at law or in equity for the collection of all unpaid assessments.

Upon ten (10) days notice to the Board and the payment of such reasonable fee, if any, established by the Board, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

3. If at any time during the course of any fiscal year the Board shall deem the amount of the membership assessments to be inadequate by reason of a revision in its estimate of either expenses or other income, the Board shall prepare and cause to be delivered to the members a revised estimated annual budget for the balance of such fiscal year and thereafter the increased amount shall be paid to the Association on the basis of such revision; provided, that the revised budget will either not

result in such increase as to be in derogation of the limitation of annual increases established by Article IV, Paragraph 3 of the Declaration, and otherwise be approved in accordance with said paragraph.