

PENDECO SUBDIVISION
DECLARATION
OF
PROTECTIVE COVENANTS, CONDITIONS AND EASEMENTS

THIS DECLARATION, made this 15TH day of July, 1999,
by PENDECO BUILDERS, INC., an Illinois Corporation, hereinafter
referred to as "Declarant".

W I T N E S E T H :
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A. Declarant is legal titleholder, in fee simple, and owner
of certain real property situated in Lake County, Illinois,
legally described as follows:

THAT PART OF THE SOUTH HALF OF SECTION 4, TOWNSHIP 43 NORTH,
RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS
FOLLOWS: COMMENCING AT THE INTERSECTION OF THE WEST LINE OF THE
SOUTHEAST QUARTER OF SAID SECTION 4, WITH THE CENTERLINE OF
FAIRFIELD ROAD; THENCE SOUTHEASTERLY ALONG THE CENTERLINE OF SAID
FAIRFIELD ROAD 920.00 FEET; THENCE SOUTHWESTERLY AT RIGHT ANGLES
TO THE LAST DESCRIBED LINE, 60.00 FEET TO THE POINT OF BEGINNING
OF THE PARCEL INTENDED TO BE DESCRIBED; THENCE CONTINUING
SOUTHWESTERLY ON THE EXTENSION OF THE LAST DESCRIBED LINE 456.23
FEET; THENCE WEST ALONG THE NORTH LINE OF THE NORTH HALF OF THE
SOUTHEAST QUARTER OF SAID SECTION 4, 408.86 FEET TO THE NORTHEAST
CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 4, TO THE
NORTHEAST CORNER OF LOT 37 IN KREUSER'S WHITE BIRCH LAKES
SUBDIVISION UNIT #3, BEING A SUBDIVISION RECORDED JULY 3, 1986 AS
DOCUMENT 2457321; THENCE SOUTHERLY, EASTERLY AND SOUTHERLY ALONG
SAID KREUSER'S WHITE BIRCH LAKES SUBDIVISION #3 TO THE
NORTHWESTERLY CORNER OF KREUSER'S WHITE BIRCH LAKES SUBDIVISION
UNIT #1, BEING A SUBDIVISION RECORDED APRIL 10, 1980 AS DOCUMENT
2056206; THENCE NORTHEASTERLY ALONG SAID KREUSER'S WHITE BIRCH
LAKES SUBDIVISION UNIT #1 TO A POINT 60.00 FEET SOUTHWESTERLY OF
THE CENTERLINE OF AFORESAID FAIRFIELD ROAD; THENCE NORTHWESTERLY
PARALLEL WITH THE CENTERLINE OF SAID FAIRFIELD ROAD TO THE POINT
OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

and all improvements currently existing in, on or about said
property, all hereinafter sometimes referred to as the
"Property"; and,

B. Declarant intends to subdivide the Property into a
residential, single-family subdivision to be known as PENDECO
SUBDIVISION, consisting of four (4) residential lots, to be sold
and conveyed to individual owners, together with certain common
elements, being Outlot A, as designated on the Plat of
Subdivision; and

C. Declarant or its successors and assigns intends to

develop the Property as a single family residential subdivision;
and,

D. Declarant further desires to create certain covenants, conditions, restrictions and easements, charges and liens upon the Property which shall run with the land as herein stated, so as to assist in development of the Property, Pendeco Subdivision and each lot consisting thereof, in protecting the value and desirability of the property and in preserving the general character of the Property; and,

E. Declarant intends that all the Property, Pendeco Subdivision and all lots therein are and shall be held, sold and conveyed subject to the covenants, conditions, restrictions, easements, liens and charges herein stated, all of which shall run with the land and be binding upon and inure for the benefit of all parties now or hereafter having any right, title or interest in the Property, Pendeco Subdivision or any part thereof, each and all of which is and are for the benefit of the Owners and public welfare and more specifically for the purpose of enhancing and protecting the value of the Property and insuring maintenance of its facilities and improvements, now existing or to be constructed thereon, in conformity with all applicable laws, statutes, ordinances, rules and regulations in such case made and provided, and for collecting and disbursing the assessments and charges hereinafter provided for, and for such other purposes or hereinafter described.

DECLARATION

For the purposes set forth in the foregoing recitals, which are incorporated in and made a part of this Declaration, Declarant hereby declares that the Property (as hereinafter defined) shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, charges and liens hereinafter set forth which are for the purpose of enhancing the value and desirability of the Property, insuring maintenance of its roadways and improvements according to law, which shall run with the Property and be binding upon and inure for the benefit of all parties having any right, title or interest in the Property, their heirs, successors and assigns or anyone claiming by, through or under them.

ARTICLE 1 Definition

1.01 "Owner" shall mean and refer to the record titleholder, including contract sellers, whether one or more persons or entities, of a fee simple interest to any lot which is a part of the Property (as hereinafter defined). Declarant shall be an Owner as long as it holds title to one or more lots.

1.02 "Property" Shall mean and refer to the final Plat of Subdivision commonly known or designated as Pendeco Subdivision.

1.03 "Lot" shall mean and refer to the plots of land so shown and designated upon any recorded Plat of Subdivision of the Property.

1.04 "Common Elements" shall mean all real property and improvements, whether now existing or to be constructed, the right to use and obligation to maintain to be proportionately shared amongst Lot Owners. and for the mutual benefit of the Owners.

1.05 "Nature Preserve Easement" shall mean and refer to those portions of Lots 80, 81 and 82 within Pendeco Subdivision, as appears more fully on the Plat of Subdivision, required for drainage, stormwater detention, open space and the protection of natural resources and environment features as defined by Village of Hawthorn Woods, Illinois Zoning Ordinance, and shall be limited in use to non-vehicular, recreational activities compatible with the protection of that resource.

1.06 "Stormwater Detention Facilities and Improvements" shall mean and refer to all on-site facilities and areas necessary for the management of stormwater, independently of or in conjunction with the natural Nature Preserve Easement areas, as appears more fully on the Plat of Subdivision. The use of Stormwater Detention Facilities and Improvements shall be limited to those activities which do not interfere with their stormwater detention functions, and as prescribed by Village of Hawthorn Woods, Illinois or ordinance or regulation of any other governmental entity having jurisdiction.

1.07 "County" shall mean and refer to Lake County, Illinois.

1.08 "Village" shall mean and refer to the Village of Hawthorn Woods, Illinois.

ARTICLE II GENERAL RESTRICTIONS

2.01 The residential lots at Pendeco Subdivision shall be used for private residence purposes only, except as specifically authorized by this Declaration. The private residence shall be designed, constructed, equipped, maintained, reconstructed, altered, added to and permitted to remain only as a single family dwelling and professionally built in accord and strict compliance with Village of Hawthorn Woods, Illinois Codes or Ordinances.

2.02 No more than one single family dwelling shall be maintained on any one lot at the same time.

2.03 The private residence shall be designed and built with attached garage for storage of vehicles, not to exceed four vehicles.

2.04 No private residence shall be designed and built, or maintained on any Lot in the Property unless it is a dwelling house containing a minimum livable area of 2,800 square feet for a single story dwelling, or a minimum livable area of 3,200 square feet for a two-story dwelling. Basements, whether finished or unfinished, english or walkout, and garages shall not be considered liveable area as used herein.

2.05 All exterior facing and trim of the dwelling shall be made of one or more of the following materials: cedar or other natural wood products, brick, stone, stucco, or dryvit, or a combination thereof. Vinyl and aluminum exterior siding are strictly prohibited.

2.06 All roofing on houses shall be cedar shake, tile, slate or three-dimensional asphalt shingle material, or any technologically advanced derivatives thereof.

2.07 No fences shall be constructed, maintained or otherwise permitted on any Lot, except that underground fences used to keep pets within the boundaries of any Lot shall be permitted to the extent allowed by the ordinances of the Village.

2.08 No laundry poles or lines shall be erected, maintained or otherwise permitted on any Lot.

2.09 No above-ground swimming pools shall be erected, maintained or otherwise permitted on any Lot, except wading or kiddie pools not to exceed 6' in diameter.

2.10 In-ground swimming pools, decks, porches and gazebos may be erected, maintained and permitted, to the extent permitted by the Ordinances of the Village, provided such shall be screened from view from the street fronting the residential lot.

2.11 All driveways shall be paved using asphalt, brick or concrete materials, or any combination thereof.

ARTICLE III
NATURE PRESERVE AND
WETLAND BUFFER LOTS

3.01 Except Lot 79 all Lots with the Pendeco Subdivision consist of Nature Preserve and Wetland Buffer areas. With respect thereto, the Lot Owner of each respective Lot shall, at all times, ensure that: A. there shall be no dredged or fill material placed on said land, except as may be completed under Village, State and Federal Permits; B. there shall be no

commercial, industrial, agricultural, residential developments, building, or other structures, including signs, billboards, other advertising materials or other structures constructed upon said land; C. there shall be no removal or destruction of trees, plants, mowing, draining, plowing, mining, removal of topsoil, sand, rock, gravel, minerals or other material from said land; D. there shall be no grazing or keeping of cattle, sheep, horses or other livestock on said land; and E. there shall be no operation of snowmobiles, dune-buggies, motorcycles, all-terrain vehicles or any other types of motorized vehicles on said land. Except as expressly limited herein, said Nature Preserve area may be changed, modified or abrogated only upon written approval of the Village of Hawthorn Woods, Illinois. Declarant reserves for itself, its successors and assigns, all right as owner of said land, including the right to use of said land for all purposes not inconsistent with the grant of easement hereinafter provided.

3.02 The Village, its successors and assigns, shall have a non-exclusive easement over and upon such Nature Preserve and Wetland Buffer areas of such Lots for the following purposes:

A. to accept and conduct surface and water discharges from adjacent upstream property;

B. to maintain said land its natural, scenic and open condition; and,

C. to enter upon said land at all reasonable times for the purpose of inspecting said land to determine if the Declarant, its successors and assigns, is complying with the covenants and purposes of this grant and to make any and all corrections and improvements in compliance herewith.

3.03 All on-site Stormwater Detention and Drainage improvements and facilities, Nature Preserve and Wetland Buffer areas shall be maintained in perpetuity and shall consist of all acts necessary to comply with Village ordinances and shall not be developed for any other use which would limit or cause to limit this use and function for the management of stormwaters.

ARTICLE IV SUBDIVISION RESTRICTIONS

4.01 No noxious or offensive activity shall be carried on or conducted upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No Lot Owner shall be permitted to take water from the Stormwater Drainage areas within the subdivision, nor shall a Lot Owner conduct any activity which would limit, cause to limit, obstruct or cause to obstruct their use and function for the management of stormwater and uninterrupted flow of stormwater through tile or natural drainageways.

4.02 No structure of a temporary character, including without limitation, trailer, basements, tent, shack, barn, mobile home, or other outbuilding shall be permitted on any Lot, at any time, except that Declarant, its successors or assigns, contractors or subcontractors may locate trailers, equipment or vehicles to be used during the development of the subdivision as permitted or otherwise approved by the Village.

4.03 No animals, livestock, poultry, bees, or horses of any kind shall be kept, bred or raised on any Lot, except that dogs, cats or other household pets may be kept, provided such are kept, bred or maintained strictly for household and not commercial purposes, and further provided such is kept in accord with County and Village ordinances. All household pets shall be confined to the premises of the Owner.

4.04 No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, rubbish or other waste shall not be kept except in sanitary containers. The storage of construction refuse outside the dwelling is only permitted in containers that are emptied weekly. All containers shall be screened from public view.

4.05 No travel trailer, private truck, bus, hauler, trailer, housetrailer, mobile home, motorized home, airplane, boat, motorcycle, snowmobile, all-terrain vehicles, recreational vehicle or commercial vehicle shall be stored permanently or temporarily except within an enclosed garage. No private vehicles shall be kept or continuously parked on the streets or roadways of the subdivision for more than six (6) hours, but shall be kept on the driveway of the Lot.

4.06 No Lot or any building or structure to be erected, maintained or used on any Lot shall be used for commercial purposes, including without limitation, manufacturing, industrial, warehouse or other business purposes.

4.07 No lines or wires for communication, cable television or the transmission of electric current or power shall be constructed, placed or permitted to be maintained other than within the dwellings or buildings or attached to their walls in an unobtrusive manner, unless the same shall be contained in conduits or cables which are placed and maintained underground. Temporary electric service lines may be placed above ground during construction per County Code, but must be removed after construction has been completed or at a time of occupancy, whichever event first occurs.

4.08 No signs, billboards or posters of any kind shall be displayed on any Lot, other than Subdivision entrance signs, if any, and except "for sale" signs complying with County Ordinances, or a sign, not to exceed 2 feet by 3 feet in size,

erected during the construction of the house displaying the name of the general contractor and/or architect. All signs are subject to County ordinances, shall be maintained in good condition and shall be removed at such time as its purpose has been satisfied.

4.09 No exterior television or radio antennae or other device used to receive electronic reception, including but not limited to satellite dishes, shall be erected or maintained on any Lot within the Subdivision. A television antennae, as herein prescribed and Direct television dishes shall be an exception, and shall be permitted so long as the antennae or dish is mounted on the dwelling at the rear most part thereof, below the highest apex or roof line of the dwelling, and the antennae shall not exceed Five (5) feet in height or the dish shall not exceed eighteen (18) inches in diameter.

4.10 Drainage from individual Lots, including drainage from roofs, sump pumps, roadways and overall building site shall be designed, constructed, graded and maintained so as to establish and accomplish a sheet flow condition of storm water and storm runoff directed to the wetland designated as Nature Preserve on the Plat of Subdivision, all in compliance with Village ordinances.

4.11 Each Lot Owner shall be responsible for maintaining and preserving all trees, shrubs or other vegetation, whether existing or hereinafter planned in accord with Village ordinance, within any and all areas of its Lot designated as deed restricted open spaces or bufferyard. Furthermore, all Lot Owners shall be responsible to maintain its Lot and keep the grassy areas of its Lot mowed to a height not to exceed six (6) inches.

ARTICLE V
PRIVATE ROADWAY
(OUTLOT A)

5.01 Each Lot Owner shall be responsible for the maintenance, upkeep, repair or replacement, if necessary, of the private roadway providing ingress and egress to the Lots within the Subdivision, designated as Outlot A on the Plat of Subdivision, together with any and all other improvements installed by Declarant for the mutual benefit of the Lot Owners. The private roadway shall be maintained in perpetuity by the Lot Owners.

5.02 Each Lot Owner shall bear its proportionate share, being twenty-five percent (25%), of responsibility and costs for the continual maintenance, operation and preservation of the private roadway and improvements, whether on the surface or below. This obligation shall be in addition to and distinct from any and all obligations of Declarant or Lot Owners with respect

to White Birch Lakes Homeowners' Association of which the Subdivision is annexed and a part.

5.03 Declarant shall be responsible for the maintenance of all such improvements until such time as a Lot shall have been sold and conveyed. Thereupon, the maintenance responsibility and payment of the costs resulting therefrom shall become the responsibility of the Lot Owner to whom a Lot has been sold and conveyed, provided first that said transfer of responsibility shall not occur, be deemed effective or operative, until all maintenance guarantees held by the Village for the required improvements have been released and satisfied, and until all requirements of applicable Village ordinances relating to on-site improvements have been complied with and final approval, inspection and certificate of compliance has been made by the Village and any other governmental agency authorized by ordinance or having competent jurisdiction to inspect and approve the improvements.

5.04 Every purchaser, transferee, grantee or distributee (in the case of probate administration) shall automatically become obligated hereunder and shall remain obligated so long as ownership is retained. This obligation shall be appurtenant to, and may not be separated from, ownership of a Lot.

5.05 The maintenance of the private roadway, Outlot A, by the Lot Owner, individually and jointly with remaining Lot Owners, shall consist of all acts necessary to ensure that the area remains aesthetically usable as originally designed and that no hazards, nuisances (public and private), unhealthy and unsafe conditions exist.

5.06 Private driveways connecting to said private roadway may not be constructed, maintained or otherwise permitted until first approved by the Village.

5.07 Declarant and subsequent Lot Owners shall be responsible to ensure that all roadways and building sites, whether located in or connecting to the private roadway (Outlot A) or on any Lot, are graded and at all times maintained in such a manner as to maintain a sheet flow condition for stormwater and stormwater runoff being directed to the Nature Preserve or Storm Sewer as designated on the Plat of Subdivision, and to ensure compliance by each Lot Owner with Section 4.10 above and Village ordinances.

ARTICLE VI ASSESSMENTS

6.01 By Acceptance of a deed and regardless whether or not it shall be so expressed in any such deed and by reason of

ownership of a Lot within the Subdivision, each Lot Owner hereby covenants and agrees, and shall be deemed to covenant and agree, to pay his, her or their proportionate share of costs incurred in maintaining the private roadway and its accessories, whether such payment be made to Declarant, a Common Fund established for such purposes, a Lot Owner designated as determined by all Lot Owners, or directly to any Contractor hired for such purposes, for each Lot owned; such to be deemed general and/or special assessments and charges as determined for each Lot in accord herewith, to be paid in the manner decided by a majority of Lot Owners. The assessments, together with such interest thereon and costs of collection thereof, including, but not limited to reasonable attorney's fees, as hereinafter provided, shall be a charge on the land and shall be 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 attorney's 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. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his or her Lot. Except as otherwise provided elsewhere herein, the Owner as of the date of any levy of an assessment shall be personally liable for each assessment. No sale or transfer of a Lot shall relieve such Lot Owner from liability for any assessments thereafter becoming due or from the lien thereof.

6.02 Each Lot Owner hereby covenants and agrees to pay special assessments for improvements and other expenses not covered by the annual assessments and accumulated reserves. Said special assessments may be collected from time to time as hereinafter provided.

6.03 Any annual assessment or special assessment shall not become due less than 30 days after approval by a majority of Lot Owners as provided herein and not less than 20 days after notice of the approved assessment to the respective Lot Owners.

6.04 All annual assessments and special assessments are to be established and collected as herein provided in this Declaration.

6.05 A Lot Owner's obligation to pay assessments shall commence on the date of closing of such Lot Owner's acquisition of his, her or their Lot.

6.06 Special assessments for all or part of a capital improvement must receive seventy-five percent (75%) affirmative votes by Lot Owners at a regular annual meeting or special meeting convened for such purpose, or upon informal action and written consent. Capital improvements are defined herein as

"additions to the existing improvements" (not replacements, repairs or other maintenance items.

6.07 The Declarant or designated Lot Owner in charge of overseeing such maintenance on behalf of all Lot Owners shall upon demand at any time furnish a certificate in writing signed by an officer of Declarant or the designated Lot Owner setting forth whether the assessments on a specified Lot have been paid as of the date of the certificate and in the event the assessments on the specified Lot are not paid in full as of the date of the certificate: the amount currently due together with interest, costs and attorney's fees, if applicable. In the event that assessments are levied but are not yet due; the certificate shall state the amount and due date for the installments assessed but not collected.

A reasonable charge may be made by the Declarant or designated Lot Owner for the issuance of these certificates. Said charge shall be consistent and represent out of pocket expenses incurred by the Declarant or designated Lot Owner in preparing the certificate. Said certificates shall be conclusive evidence of payment of any assessment herein stated to have been paid.

6.08 Any assessment, annual or special, which are not paid on the due date shall be delinquent. Such delinquency shall be a continuing lien and an equitable charge running with the land touching and concerning said Lot so assessed, held by the then Owner or Owners, his heir, devisee, personal representative, assigns, successors and grantees.

Should title to any Lot be held by more than one Owner, all Owners shall be jointly and severally liable. The lien shall attach to all rents due from parties in possession on any Lot on which a delinquent assessment exists, provided that it shall be subordinate to an assignment of rents held by a mortgagee when delivered in connection with a first mortgage loan to purchase the Property.

Should any assessment remain unpaid thirty (30) days after it has become delinquent; such assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum.

The Declarant, designated Lot Owner in charge of overseeing such maintenance and the collection of costs incurred in connection therewith, or a Lot Owner who has satisfied and paid its proportionate share or obligation resulting therefrom, may recover any delinquent assessments by bringing an action at law or in equity against the then Owner personally obligated to pay the same or foreclose the lien against the Lot. Such recovery shall include interest, cost and reasonable attorneys' fees

incurred in connection with any such action.

6.09 In the event of any default by any Lot Owner in the performance of his obligations under this Declaration, the Declarant, designated or non-defaulting Lot Owner, or its agents, shall have the rights and remedies permitted under this Declaration, in addition to those provided or permitted by law, including the right to take possession of such Lot Owner's interest in the Lot for the benefit of all other Lot Owners by an action for possession in the manner prescribed in the Forcible Entry and Detainer Act (765 Illinois Compiled Statutes 5/9-101 et seq.).

The lien of the assessments provided for herein shall be subordinate to the lien of the first mortgage or first trust deed placed upon the Lot for the purpose of purchasing same. Such automatic subordination shall apply only to the assessments which arise subsequent to the lien of the first mortgage or first trust deed. The sale or transfer of any Lot pursuant to a decree of foreclosure under such first mortgage or first trust deed, or any proceeding or any proceeding or conveyance in lieu thereof, shall not extinguish the lien of such assessments which have become due and payable prior to such sale or transfer. Such sale or transfer shall not relieve the Lot from liability for any assessments or installments thereafter becoming due.

ARTICLE VII

REMEDIES AND BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

7.01 The covenants and restrictions may be enforced by any proceeding at law or in equity, either to restrain violation or to recover damages, by the Declarant, any non-defaulting Lot Owner or Village authority, against any person(s) violating or attempting to violate any covenant or restriction.

7.02 In the event of any default of any Owner under the provisions of this Declaration, or any amendment thereof, the Declarant, any non-defaulting Lot Owner or Village authority shall have each and all of the rights which may be provided for in this Declaration, or which may be available at law or in equity and may prosecute any action or other proceeding for enforcement of any lien or for damages or injunction or specific performance, or for judgement for payment of money and collection thereof, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with such actions or proceedings, including court costs and reasonable attorney's fees and other fees and expenses, shall be charge to and assessed against such defaulting Owner.

7.03 The failure to enforce any right, provision, covenant or condition which may be granted by this Declaration shall not constitute a waiver of the continuing right to enforce such

provisions, covenants or conditions in the future, irrespective of the number of violations, defaults or breaches which may occur.

7.04 All rights, remedies and privileges granted to the Declarant, non-defaulting Lot Owner or Village authority pursuant to any terms, provisions, covenants or conditions of this Declaration shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the Association from thus exercising the same or from exercising such other and additional right, remedies or privileges as may be granted to the Association at law or in equity.

ARTICLE VIII EASEMENTS

8.01 Police, fire, health and other County or municipal officials, employees and vehicles shall have the right of ingress and egress to the Property for performance of official duties.

8.02 During the period of construction and/or marketing of the Property, the Declarant shall have the right of ingress and egress, and the right to install any improvements, over, across and through the easement area.

The Declarant its successors and assigns, and any party for whose benefit easements are granted pursuant to the hereof, shall have the right to do whatever may be requisite for the enjoyment of the easement rights herein granted.

8.03 Easements for the installation, construction, maintenance, repair, operation and inspection of sewer, storm sewer, drainage, gas, electric, telephone, cable, or other public utility services shall be granted as shown on the recorded Plat of Subdivision.

8.04 Reference in the respective deeds of conveyance, or in any mortgage or trust deeds or other evidence of obligation, to the easements or covenants contained herein shall be binding upon the respective grantees, mortgagees or trustees of said Lots as though all of the easements, covenants and restrictions set forth herein were fully recited and set forth in their entirety in such documents.

8.05 All easements of record (described on the recorded Plat of Pendeco Subdivision) are easements appurtenant, running with the land; they shall at all times inure to the benefit of and be binding on the undersigned, all of their grantees and their respective heirs, successors, personal representatives or assigns, perpetually in full force and effect.

ARTICLE IX
RIGHTS OF THE VILLAGE OF HAWTHORN WOODS, ILLINOIS

9.01 The duly designated officials and employees of Village are hereby granted an easement to enter upon, on and over areas of Nature Preserve, Wetland Buffer, Drainage and Storm Sewer Easement as well as all other areas of the Property or Lots necessary to gain access to the said areas for the purpose of inspecting such areas to determine whether the improvements and systems which constitute same have been and are being properly maintained in conformity with this Declaration and the applicable ordinances and regulations of the Village.

In the event that a Lot Owner fails to perform the proper maintenance as described above, the Village shall give written notice of such deficiencies to the Lot Owner or Owners. Further, the Village shall have the power, but not the obligation to compel correction of a problem concerning maintenance after providing such notice, although notice shall not be required in the event that the Village determines that the failure of maintenance constitutes an immediate threat to the public health, safety and welfare. If the Lot Owner or Owners fail to perform the necessary maintenance within fifteen (15) days after receiving notice of the determination, the Village shall have the right to perform or cause to be performed the necessary maintenance. If the Village performs or causes to be performed such service, it shall be entitled to complete reimbursement by the Lot Owner or Owners for all costs it incurs. If payment is not made within thirty (30) days after demand, then, with respect to each Lot upon which work was performed the costs of the work attributable to such Lot shall become a lien on said Lot. Each such lien shall be subordinate to the lien of the first mortgage of the Lot, but shall be superior to the assessment lien referenced in Section 6.08 with respect to each Lot for assessments which become due after the date on which the Village's lien attached to the Lot.

The easement described in this section is an easement appurtenant, running with the land; it shall at all times be binding upon the Declarant, all its grantees and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

9.02 The Village shall have the right to enforce those covenants and restrictions (insofar as they relate to Village Ordinance and Regulations) set forth in the Declaration. Should a conflict arise between this Declaration and a Village Ordinance, the most restrictive shall apply.

ARTICLE X
INSURANCE

The Lot Owners, if deemed advisable and by a majority, shall also have the authority to obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and Worker's Compensation insurance and other liability insurance as it may deem appropriate, insuring each Owner, the Declarant, and their respective employees and agents, from liability in connection with maintenance of Outlot A and the common Improvements, and insuring the Lot Owners and the Declarant from liability for good faith actions beyond the scope of their respective authorities and good faith errors of judgement. Such insurance coverage may include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be common expenses and shall be included in the annual budget and paid through annual assessments or special assessments.

ARTICLE XI
GENERAL PROVISIONS

11.01 Notwithstanding any provisions herein to the contrary, the easements under Article VIII of this Declaration shall be subject to:

a. The right of the Declarant to execute all documents and do all other acts and things affecting the Property which, in the Declarant's opinion, are desirable in connection with Declarant's rights hereunder, provided any such document or act or thing is not inconsistent with the property rights of any Lot Owner or Owners; and

b. Easements of record on the date hereof and any easements which may hereafter be granted by Declarant to any public utility or governmental bodies for the installation and maintenance of electrical and telephone conduit and lines, gas pipes or any other utility or cable communication services serving any lot.

11.02 Notices provided for in this Declaration or the By-laws shall be in writing and shall be addressed to the Association at such address as may be from time to time designated by the President or the Board.

Each Owner of a Lot shall file the correct mailing address of such Owner with the Declarant and shall notify the Declarant promptly in writing of any subsequent change of address. The Declarant shall maintain a file of such addresses which shall be made available to any Lot Owner upon request.

A written or printed notice, deposited in the mail, postage prepaid, and addressed to any Owner at the last address filed by such Owner with the Declarant shall be sufficient and proper

notice to such Owner whenever notices are required or permitted in this Declaration.

11.03 If any provision of the Declaration shall be held invalid it shall not affect the validity of the remainder of the Declaration. If any provision of the Declaration is deemed to violate the rule against perpetuities or any other rule, statute or law imposing time limitations, then such provisions shall be deemed to remain in effect until the death of the last survivor of the now living descendants of George Bush, former President of the United States, plus twenty-one (21) years thereafter.

11.04 Invalidation of any one or more of the covenants herein by any judgement or Court Order shall in no way affect any of the other provisions herein which shall remain in full force and effect.

11.05 Each Owner by the acceptance of a deed of conveyance, and each purchaser under any contract for such deed of conveyance, accepts the same 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, and 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 provision of this Declaration were recited and stipulated at length in each and every deed of conveyance. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the rights described in this Section or described in any other part of this Declaration shall be sufficient to create and reserve such easements and rights to the respective grantees mortgagees and trustees of such Lot Ownership as fully and completely as though such rights were recited fully and set forth in their entirety in such documents.

11.06 The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of development.

11.07 In the event title to any Lot Ownership 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 thereunder from time to time, the beneficiary or beneficiaries shall be responsible for payment of all obligations, liens or indebtedness and for performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Lot. No claim shall be made against any such titleholding trustee personally for payment of

any lien. The amount of such lien or obligation shall continue to be a charge or lien upon the Lot Ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Lot Ownership.

11.08 The failure by the Declarant, any Owner or Lake County or the Village to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

11.09 The article captions are intended for convenience only and shall not be construed with any substantive effect in this Declaration.

11.10 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 non-performance of such rights or obligations.

11.11 This Declaration may be amended by recording a Certificate of Amendment with the Office of the Recorder of Deeds of Lake County containing the amendment and signed by the record owners of seventy-five Percent (75%) of the Lots comprising the Property.

A recordable certificate of a title guaranty company doing business in Lake County, Illinois, as to record ownership of said Lots shall be deemed conclusive evidence thereof with regard to compliance with the provisions of this Section. Upon and after the effective date of any such change or changes, it or they shall be binding upon all persons, firms and corporations then owning Lots and shall run with the land and bind all persons claiming by, through or under any one or more of them.

This Declaration may be amended provided any such provision for amendment states that amendments to all covenants and restrictions applicable to the Nature Preserve, Wetland Buffer, Drainage and Storm Sewer Easement or common improvement is expressly prohibited if the result would in any manner diminish their function or diminish their function insuring compliance with all Village ordinance requirements and that the responsibility for continued maintenance, operation and preservation of said facilities or improvements shall not be abrogated by such amendment.

Notwithstanding anything else stated herein to the contrary no amendments to this Declaration relating to the rights of the Village may be adopted without the prior written consent of the Village, by ordinance duly passed and approved by the corporate authorities.

11.12 If any improvements or landscaping constructed and planted by Declarant, including public improvements and improvements made for the benefit of all Lot Owners, shall actually encroach upon any portion of the common areas and Lots as shown by the Plat of Subdivision, there shall be deemed to be mutual easements in favor of the respective Owners involved to the extent of such encroachments as long as the same shall exist.

ARTICLE XII
RIGHTS OF LOT OWNERS

12.01 The covenants and restrictions herein contained shall run with and be binding upon all the Lots and shall be binding upon all persons owning, leasing, subleasing or occupying any such Lot, their heirs, executors, administrators, personal representative, successors and assigns. If any person, firm, association, successors or assigns violates or attempt to violate any of the covenants or restrictions herein, then any person, firms, association, partnership, or assigns owning or having interest in said Property shall have the right to proceedings at law or in equity against such person, firm, association, partnership, trust or corporation violating or attempting to violate the covenants and restrictions herein for the purpose either of preventing such violations from occurring or for the purpose of recovering damages.

12.02 Each Lot and the Owner or Owners thereof shall be entitled to one (1) vote at any regularly or specially convened meeting of Lot Owners, or informal action by a written consent signed by a Lot Owner of a Lot.

IN WITNESS WHEREOF, PENDECO BUILDERS, INC., an Illinois Corporation, by its President and Secretary, record owner, hereby submit these Covenants and Restrictions to the Lake County, Illinois Recorder of Deeds to record this document in title deeds of said property.

This Declaration shall be and is recorded as a part of and in conjunction with the Plat of Subdivision of PENDECO SUBDIVISION in the Village of Hawthorn Woods, Lake County, Illinois.

Dated this 15th day of July, A.D., 1999.

PENDECO BUILDERS, INC.
AN ILLINOIS CORPORATION

By: Jeffrey S. Parnis
Its President

ATTEST: _____
Its Secretary

Corp. Seal

STATE OF ILLINOIS)
) SS.
COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid DO HEREBY CERTIFY THAT JEFFERY S PENNING President, and _____, Secretary of the aforesaid Corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instruments as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 15 day of July, 1999
My commission expires 03/08/03

Janice M. Glozier
NOTARY PUBLIC

Prepared by:
RAYMOND C. MILLER, JR.
Attorney at Law
First Bank Plaza-Suite 203
Lake Zurich, IL 60047

