

CENTENNIAL CROSSING
HOMEOWNERS ASSOCIATION
RULES AND REGULATIONS

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I. PREFACE

The Rules and Regulations of the Centennial Crossing Homeowners Association derive from the following bodies of law and documents:

1. United States Federal Law;
2. Law of the State of Illinois;
3. Law of the County of Lake (IL);
4. Code of the Village of Vernon Hills; and
5. Declaration and Bylaws of Centennial Crossing.

The conduct of Owners and Residents and their respective guests, as well as that of all agents and employees of the Association and of Owners and Residents, are subject to all applicable Federal, State, County or Village laws, statutes, ordinances and codes. To the extent any provisions contained in these Rules and Regulations conflict with those instituted by the above authorities, the provision(s) of said authorities will control. To the extent there is a conflict amongst said authorities, the hierarchy set forth above prevail.

Conduct not in conformance with any of the aforementioned provisions is permitted only as allowed by law, and, in respect to these Rules and Regulations, is permitted only upon receipt of express written authorization of the Association Board or its duly authorized agent in response to a written request by an Owner, Resident or Tenant.

II. DEFINITIONS

Note: In the event a term denoted in the Rules and Regulations is not defined herein, its definition shall be determined by reference to the following sources, in order: the Declaration; the Bylaws; common usage of the term within the Association; and the commonly-understood meaning of the term as indicated by context and dictionary definition.

Association: Centennial Crossing Homeowners Association, an Illinois not-for profit corporation.

Board: The Board of Directors of the Association.

Bylaws: The Bylaws of the Centennial Crossing Homeowners Association, as amended from time to time.

Common Area/Common Property: The Common Elements (as defined in the Declaration) of the Association and areas accessible to all Owners.

Common Expense/Common Assessment: Any amount which the Board may assess or levy against the Owner(s) of a Property. Such amounts include regular assessments, special assessments and any other charges or expenses which are levied pursuant to the Declaration, Bylaws and/or the Rules and Regulations.

Declaration: The Declaration of the Centennial Crossing Homeowners Association as recorded in the office of the Recorder of Deeds of Lake County and as may be amended thereafter.

Duly Authorized Agent/Managing Agent/Property Manager/Manager: A person or entity (if and as applicable) employed by the Association to manage the day-to-day administration of the Property in a manner dictated by the Board.

Member (of the Association): An Owner.

Non-Resident Owner: An Owner not residing in Centennial Crossing but having legal obligations to their homesite and the Association.

Owner: The owner or owners of a homesite as confirmed by public records, including a Contract Seller and excluding a Contract Purchaser, unless expressly provided otherwise by the Declaration. The beneficiary of a Trust entitled to ownership of a property shall have responsibility for the homesite to the same extent as if title to the property were held in the name of an individual person(s).

Property: All of the real property against which the Declaration has been recorded, including any improvements thereon.

Resident: Any person who resides on the property, including families, Owners and tenants of Owners.

Occupant: See Resident.

Rules and Regulations: The Rules and Regulations of the Association, as adopted pursuant to the powers available to the Association and the Board.

Tenant: A resident of Centennial Crossing who is not an Owner but is obligated to adhere to the Rules and Regulations. A Tenant of the Association can participate in Association activities but does not have

voting privileges with respect to Association matters.

Village: The Village of Vernon Hills

III. RULES AND REGULATIONS

A. Declaration Covenants and Bylaws

All covenants established by the Declaration and Bylaws (including any amendments thereto) are hereby incorporated in these Rules and Regulations by reference. It is the duty of each Property Owner to abide by the Declarations and Bylaws. To the extent an Owner breaches a provision of these documents, the redress of said breach shall include, but not be limited to, the utilization of the enforcement provisions specified herein and the pursuit of remedies afforded by the Declaration and Bylaws.

B. Association Assessments

1. Assessments are payable the first day of each calendar quarter unless otherwise directed by the Board.
2. Special Assessments are payable as declared by the Board.
3. Fines, penalties and other amounts assessed to an Owner's account in accordance with the Declaration, Bylaws or the Rules and Regulations are due upon demand.
4. Assessments and Special Assessments not paid within sixty (60) days after the due date shall bear interest from and after the due date at a rate of 12.0% per annum until paid.
5. Any account in arrears more than ninety (90) days may be forwarded to the Association's legal counsel for collection. Any legal fees and costs of enforcement of Assessments shall be charged to the Owners' assessment account in accordance with the Declaration.
6. The assessment account is a lien against the title of each property. An Owner selling a property must procure a paid assessment letter (certifying full payment of costs and fees due by such Owner) from the Property Manager.

C. Obstructions to Roadways and Common Areas

Boulders, decorative stones and other obstructions shall not be placed within the roadway easement or common area easement on any lot within the Centennial Crossing subdivision except as provided herein.

D. Owner/Tenant Data

All Owners and/or Tenants should file a copy of an Occupant Data Questionnaire (Exhibit A) with the Property Manager within seven (7) days of occupancy. This information is obtained solely for the purpose of optimizing the safety of Owners and Tenants in the event of an emergency and is held in strict confidence.

E. Lot Use

All Lots shall be used for residential purposes, as a private residence, and no commercial, industrial or manufacturing use shall be made on any portion of the Lot. No resident's use of a Lot shall endanger the health or otherwise disturb the reasonable enjoyment of any other Owner or resident. Owners or Tenants shall be permitted to utilize the interior of their home as they see fit for home office purposes. Any business that pertains to the home office setting shall be permitted in the Centennial Crossing subdivision.

F. Soliciting

All commercial solicitation is prohibited within the Centennial Crossing subdivision, except as expressly approved and authorized by the Board. Solicitations authorized by the Board--excepting those mailed through the U.S. Postal service--require a proper permit from the Village of Vernon Hills. Under no circumstances may leaflets, flyers, posters or similar notices be attached or affixed to automobiles, any part of the exterior surface of any building or any mailbox, or the Common Area, except as authorized by the Board.

G. Vehicular Traffic

Owners, Tenants and their respective guests shall abide by all posted speed limits, vehicular traffic signs and signals with the Centennial Crossing subdivision. The speed limit in all alleys of the subdivision is 10 miles per hour.

H. Pet Structures

1. Pet structures, including dog enclosures and dog runs, must be

placed in the rear of the home and must not be visible from the front of the home.

2. Dog runs must meet all fencing restrictions in the Declaration and a dog run must be constructed to match a preexisting fence when applicable.
3. Prefabricated (e.g. cyclone) wire pet structures are not permitted.

I. Air Conditioning Units

1. No permanent air conditioning units shall be installed in any dwelling unit or garage or otherwise protrude from any window or exterior wall of any dwelling unit.
2. A central air conditioning auxiliary unit must be located at the rear of the dwelling, not visible from the front.

J. Swimming Pools

1. A Swimming Pool shall have a meaning consistent with the that ascribed by Village of Vernon Hills as "any artificial basin of water installed for the purpose of swimming which is 18" or deeper with 90 square feet or more of surface area which requires external buttresses or which is dug into the ground."
2. In-ground Swimming Pools will be allowed if Plans comply with existing village codes.
3. Swimming Pool fencing must meet the fencing requirements of The Declaration and must match existing fencing when applicable.
4. No above-ground Swimming Pools will be allowed.

K. Guests/Invitees

All stated provisions of the Declaration, Bylaws and Rules and Regulations are binding upon Tenants of a non-resident Owner. It is the latter party's express responsibility to advise its Tenant of the rules and provide the Tenant with a copy of the Declaration, Bylaws and Rules and Regulations as necessary.

Each Owner bears the responsibility to advise their respective guests and invitees of the Declaration, Bylaws, and Rules and Regulations. Any

violation of a rule alleged to have been committed by a Tenant, guest or invitee (e.g. construction worker) is the responsibility of the Owner. All violation notices will be forwarded to the Owner and all charges will be reflected on the Owner's account.

L. Mailboxes

1. All mailboxes located on the Property of the Centennial Crossing subdivision are owned by the CCHOA.
2. No mailbox may be replaced or otherwise altered in any manner without the express prior written consent of the Board. Any Resident who has a damaged or otherwise non-functioning mailbox should contact the Property Manager, or, in the absence of the Property Manager, a member of the Board.

M. Garage and Yard Sales

1. Residents are permitted to conduct a garage or yard sale, such a sale to be denoted in this Section M as an "Event."
2. The maximum duration of any Event shall be 72 hours.
3. A Resident may post signage related to an Event on a) his or her respective lot or b) anywhere on the Common Area. Such signage may be posted no more than 24 hours prior to the commencement of an Event, may remain in place during the duration of an Event, and must be removed no later than 24 hours after the conclusion of an Event.
4. Any Resident conducting an Event shall be mindful to respect the rights of neighboring Residents to the quiet enjoyment of their respective properties and as always respect the prohibition of parking in alleyways.

N. Retention Pond

1. The retention pond on the Property located adjacent to the Stone Fence Farms subdivision is maintained by the Association. This retention pond serves a functional purpose and also is designed and landscaped to enhance the aesthetic appeal of the Centennial Crossing subdivision.
2. No recreational activity of any kind is permitted on or near the retention pond maintained by the Association. Such activities

include, but are not limited to, swimming, skating, fishing, boating and ball-playing.

IV. ARCHITECTURAL REVIEW PROCEDURES AND APPROVAL

A. Purpose

Centennial Crossing is among the first communities in the Midwest that reflects the guiding principles of Traditional Neighborhood Design. The land plan is reminiscent of the close-knit neighborhoods of early 20th century America, with numerous parks, "foot-friendly" streets and a network of service alleys running behind. The homes are equally distinctive, with elevations offering real architectural variety and integrity, and streetscapès dominated by front porches and sidewalks, not garage doors. In keeping with this theme, a process of architectural review and approval is required to preserve the architectural and aesthetic appearance of Centennial Crossing and protect the property values of all Homeowners.

The layout and design of the neighborhood is also intended to instill a spirit of community among residents. Residents are expected to be considerate of their neighbors as well as respect and tolerate differences in taste and lifestyle.

B. Architectural Review Committee.

As per the Bylaws and to facilitate review of architectural approvals, the Board may establish an Architectural Review Committee ("ARC") which shall consist entirely of Association Members. The President of the Association shall appoint members to the ARC and any member may be removed from the ARC with or without cause by a majority vote of the Board. Each member of the Committee shall continue as such until the next annual meeting and until his or her successor is appointed and shall have qualified, unless the Committee shall be terminated or unless such member shall cease to qualify as a member thereof. The ARC shall elect a chairman from its members and shall meet as needed.

C. Submissions to the Board.

In order to secure Board approval for any improvement addressed in the Declaration, Bylaws or these Rules and Regulations, an Owner shall deliver to the Board a complete set of the following items:

1. If the proposed improvement consists of anything other than the painting and/or staining of a dwelling unit's exterior, a site plan

of the lot illustrating, among other data, the location and dimensions of all intended construction, including changes to the top of foundation elevation, drainage and grading plans when affected, and other information which will enable the Board to understand the proposed construction and its relationship to surrounding topography.

2. A detailed description and drawings of all aspects of the proposed improvement, including methods of construction, proposed time period for construction, and the color, quality and type of exterior construction materials to be used.
3. An Architectural Improvement Application Form or a Satellite Dish Installation Application Form (Exhibit B or C).
4. All of the foregoing items (hereinafter collectively denoted "Plans and Specifications") shall conform to the applicable provisions of the Declaration.
5. An Owner who wishes to change the color of an exterior component (siding, trim, shutters, etc.) must submit color samples to the Board for approval if the new color is not present in the community on similar exterior components. Samples must be submitted to the Board for approval prior to applying the paint or stain.

D. Architectural Approval

The Board shall approve or disapprove a request for architectural approval by a majority vote taken within a reasonable time frame from the date an Owner completes his or her submission to the Board. The Board will make every reasonable effort to respond to an Owner's request in an expeditious manner.

The Board or its agent shall notify an Owner in writing as to whether the latter's Plans and Specifications are approved or disapproved. Approvals/disapprovals shall be based upon the governing Declaration, Rules and Regulations and P.U.D. The absence of such written notification shall not be interpreted as an approval. Upon issuance of the requested architectural approval, no further approvals shall be required with respect thereto, unless, either (a) such improvement has not been substantially commenced within one (1) year of the issuance of the requested architectural approval (e.g. clearing and grading, pouring of footings) or (b) the approved Plans and Specifications are altered or changed in a material manner or fashion.

E. Review of Revised Plans and Specifications.

In the event that the Board disapproves of an Owner's requested architectural approval, the notification in writing from the Board to the Owner shall state the reason(s) for such disapproval. In the event of such disapproval, an Owner may submit revised Plans and Specifications to be considered by the Board in the manner set forth in Section C.

F. Effect of Architectural Approval.

The approval of Plans and Specifications, the issuance of architectural approval and/or the publication of standards shall not be construed as representing or implying that such Plans and Specifications or standards shall, if followed, result in properly designed construction.

Such approvals and standards shall in no event be construed as representing or assuring that the dwelling unit, lot or other improvement performed in accordance therewith shall be built in a good or workmanlike manner. The Board and/or the Association shall not be responsible or liable for any defects in any Plans and Specifications submitted, revised or approved, nor for any loss or damage to person or property stemming from approval or disapproval of any Plans and Specifications, a lack of compliance of such Plans and Specifications with any applicable governmental ordinances or regulations, or any defects in construction undertaken pursuant to such Plans and Specifications.

Notwithstanding the obtaining of architectural approval, an Owner shall solely be responsible to apply and pay for and obtain any and all required governmental approvals, permits, licenses, etc. and shall comply with the requirements of all ordinances and regulations of the Village of Vernon Hills or, as applicable, the County of Lake (including the zoning ordinance), all applicable building, health and safety codes and all recorded restrictions, covenants and conditions applicable to the Owner's lot.

V. ENFORCEMENT OF RULES AND REGULATIONS

A. Independent Resolution

It is understood that no resident of Centennial Crossing shall unduly impinge on the rights and freedoms of any other neighbor(s). However, if a dispute arises between Owners and/or Tenants—and the content of the dispute falls within the purview of these Rules and Regulations—a party

may file a complaint alleging a violation of said Rules and Regulations **only after** the parties involved have attempted to resolve the matter in a civil manner independent of Association involvement.

B. Filing of a Complaint

1. Absent the resolution of an alleged violation to the Rules and Regulations in the manner specified in Section A above, an Owner, Resident or a representative of the Property Manager may file a complaint.
2. Any complaint which alleges a violation of the Declaration, Bylaws or Rules and Regulations shall be reported to the Property Manager. Within seven (7) calendar days, the Property Manager shall, where practical, investigate the complaint and execute a Witness statement (Exhibit D), or require the complainant to execute the Witness Statement.
3. The Association recommends that photographs be taken, if possible, to depict an alleged violation. Any such photographs should be attached to the Witness Statement or forwarded as soon as possible. The photographer's name and the date on which the photograph(s) was taken should be denoted on the back of the photograph(s).

C. Complaint Against an Owner

1. When a complaint is made pursuant to the mechanism referenced above, the Owner alleged to have committed the violation shall receive a Notice of Alleged Violation Complaint (Exhibit E) from the Association or its duly authorized agent within fourteen (14) days of the filing of the complaint.
2. In the event an alleged violation is not the first violation committed by a given Owner, or in the event the violation is such that serious, immediate, or irreparable consequences may occur by delay, the Board may elect to forward the matter to the Association's Attorney for appropriate action. All legal expenses and costs incurred will be assessed to the Owner's account if the Owner is found guilty of the violation.
3. The Association's attorney, if contacted regarding the violation, shall send such notices, make such demands, or take such actions as are necessary to protect the Association in accordance with the provisions of the Declaration, Bylaws and Rules and Regulations.

D. Hearings

If an Owner charged with a violation either believes that no violation has occurred or that he or she has been wrongfully or unjustly charged, the Owner must pursue his or her recourse in the matter as set forth in this section.

1. A hearing date will be specified in the above-referenced Notice of Alleged Violation Complaint sent to an Owner. If an Owner believes that he or she has been wrongfully or unjustly charged, he or she should attend this hearing.
2. At any such hearing, the Board shall hear and consider arguments, evidence, or statements regarding the alleged violation from any persons having direct knowledge of the alleged violation and from the alleged violator and any witnesses on his or her behalf. Following a hearing and due consideration, the Board shall issue its determination regarding the alleged violation within seven (7) calendar days. The decision of the Board shall be made by majority vote and shall be final and binding upon the Owner.
3. Payment of any assessments, charges, costs or expenses made pursuant to the provisions contained herein shall not become due and owing until the Board has completed its determination. Notification of the Board's determination shall be communicated in the form of Exhibit F (Notice of Alleged Violation Determination).

E. Assessments

If an Owner is found to have violated personally or is otherwise liable for a violation of any of the provisions of the Declaration, Bylaws or Rules and Regulations of the Association, the following actions shall occur.

1. If found to be guilty of any violation, an Owner shall be notified of the finding by the Association. The Owner may also be assessed a fine as well as any additional costs and expenses, including reasonable attorney's fees attributable to the enforcement process.
2. If found to be guilty of any violation, including the first violation, the notice of determination may also require the Owner to correct any damage or any unauthorized condition on the Property for which the Owner has been found responsible, to

pay the costs of any repairs, and to pay any legal expenses and costs incurred by the Association as a result of the violation.

3. In the event any violation has resulted in damage to any Common Area, or another property which has not yet been repaired or has resulted in any damage or any unauthorized condition on the property, the Owner will be give a notice of violation to correct the damage or architectural violation. If the damage or violation has not been corrected within fourteen (14) calendar days of the date on which the Notice of Determination of Violation was issued, the Association will proceed to have the damage or violation corrected, and the Owner will be assessed for the full cost of labor and materials required.
4. In order to a) encourage Owners to correct violations and damages at their own time and expense and b) compensate the Association for any administration expense involved in obtaining and supervising any such correction, the Association may assess any Owner who forces the Association to remedy a violation or damage an additional administrative charge equal to the greater of a) \$100.00 or b) ten percent (10.0%) of the cost of labor and materials.

F. An Owner Assessed

Any Owner assessed hereunder shall pay any charges imposed within thirty (30) calendar days of notification that such charges are due. Failure to make the payment on time shall subject the Owner to all of the legal or equitable remedies necessary for the collection thereof. All charges imposed hereunder, including late charges and reasonable attorney's fees, shall be added to the Owner's account, shall become a special assessment against the property and shall be collected in the same manner as any regular or special assessment against that property.

G. Notice Procedures

Notices will be deemed served by any one of the following three (3) methods.

1. By personal delivery at the time of delivery.
2. By mail, following two (2) days after deposit in the United States Mail, provided that the notice has been sent both by regular first class and by certified mail- return receipt requested, postage prepaid, to the Owner at the property address, or to such other address as the Owner shall have previously filed with the Board,

and further provided that either the return receipt has been signed and returned or that the notice sent by regular mail has not been returned to the Association undelivered. For properties held in Trust, a notice may be sent either to the address of the Trustee, or to such address as has been provided to the Association by the Trustee or the beneficial owner of the Trust.

3. By facsimile ("fax") transmission, with a copy sent via regular United States Mail postmarked as of the date of the fax, and including a copy of the confirmation of the fax transmission.

H. Other Remedies

The remedies described herein are not exclusive, and the Board may take any additional action provided by law or in the Declaration and Bylaws to prevent or eliminate violations thereof to the Rules and Regulations of the Association.

VI. SCHEDULE OF PENALTIES FOR VIOLATIONS

VIOLATION	PENALTY
General	The Board, at its discretion, may assess a fine of up to \$100 per day for a given violation (up to a maximum of \$1,000 per violation) after the date of notification of the violation and until the date of remedy.
Architectural	The Board, at its discretion, may assess a fine of up to \$100 per day for a given violation (up to a maximum of \$1,000 per violation) after the date of notification of said violation until the date of remedy. In addition, an Owner or Tenant who commits a violation shall reimburse the Association for all costs and/or fees incurred by the Association to remedy the effect(s) of the violation.
All Other Violations	As determined by the Board.
Note - 1	The maximum penalties referenced above do not include any costs or fees incurred and expensed by the Association with respect to the enforcement and disposition of a particular violation. In addition, the penalties do not include late charges for untimely payment of penalties levied.
Note - 2	The Board reserves the right to reduce or waive penalties as the circumstances of the violation may warrant.
Note - 3	The above schedule is not intended to mitigate any remedies provided in the Declaration, Bylaws and/or the Rules & Regulations.

VII. ADDITIONAL INFORMATION

A. Board Meetings and Association Records

Board meetings are open to all owners, who are encouraged to attend. The time for Board meetings is determined by action of the Board from time to time, and the notice required by law will be provided to all owners. As required by the law, the books and records of the Association are available for the inspection of Owners for any proper purpose at reasonable times, provided that reasonable advance notice is provided to the Association. Those individuals wishing to inspect the books and records should contact the Property Manager's Office.

B. Useful Phone Numbers

Vernon Hills Police Department (non-emergency).....(847) 362-4449
Vernon Hills/Countryside Fire District (non-emergency) .. (847) 367-5511
Emergency (Police/Fire/Paramedics).....911
American Property Management(847) 985-6464