

State of Illinois Office of The Secretary of State

D/107045 Canada office

Whereas,

ARTICLES OF INCORPORATION OF
CENTENNIAL CROSSING HOMEOWNERS ASSOCIATION
INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN
FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE
GENERAL NOT FOR PROFIT CORPORATION ACT OF ILLINOIS, IN FORCE
JANUARY 1, A.D. 1987.

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Now Therefore, I, George H. Ryan, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 22ND day of APRIL A.D. 19 98 and of the Independence of the United States the two hundred and 22ND



George H. Ryan

Secretary of State

C-212.2

BOX 333-CT

NFP-102.10
(Rev. Jan. 1995)

FILED

APR 22 1998

GEORGE H. RYAN
SECRETARY OF STATE

ARTICLES OF INCORPORATION

(Do Not Write in This Space)

Payment must be made by Certified Check, Cashier's Check, Illinois Attorney's Check, Illinois C.P.A.'s Check or Money Order, payable to "Secretary of State."

DO NOT SEND CASH!

Date 4-22-98

Filing Fee \$50

Approved Re

TO: GEORGE H. RYAN, Secretary of State

Pursuant to the provisions of "The General Not For Profit Corporation Act of 1986," the undersigned incorporator(s) hereby adopt the following Articles of Incorporation.

Article 1. The name of the corporation is: Centennial Crossing Homeowners Association

Article 2: The name and address of the initial registered agent and registered office are:

Registered Agent	<u>Peter J. Brennan</u>		
	First Name	Middle Name	Last Name
Registered Office	<u>Four Westbrook Corporate Center, Suite 500</u>		
	Number	Street	(Do Not Use P.O. Box)
	<u>Westchester</u>	IL <u>60154</u>	<u>Cook</u>
	City	Zip Code	County

Article 3: The first Board of Directors shall be 5 in number, their names and residential addresses being as follows: (Not less than three)

Director's Names	Number	Street	Address City	State
<u>Micahel J. Ryan</u>	<u>21</u>	<u>E. Madison</u>	<u>Hinsdale</u>	<u>IL 60521</u>
<u>Peter J. Brennan</u>	<u>3</u>	<u>Arthur</u>	<u>Clarendon Hills</u>	<u>IL 60514</u>
<u>Therese M. Ryan</u>	<u>1715</u>	<u>N. Wells</u>	<u>chicago</u>	<u>IL 60614</u>
<u>Scott Seyfarth</u>	<u>729</u>	<u>S. Park</u>	<u>Hinsdale</u>	<u>IL 60521</u>
<u>Ed Fitch</u>	<u>233</u>	<u>S. Kensington</u>	<u>Lagrange</u>	<u>IL 60525</u>

Article 4. The purposes for which the corporation is organized are:

The administration and operation of an organization on a cooperative basis producing or furnishing goods, services, or facilities primarily for the benefit of its members who are consumers of such goods, services or facilities.

Is this corporation a Condominium Association as established under the Condominium Property Act?
 Yes No (Check one)

Is this corporation a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954? Yes No (Check one)

Is this a Homeowner's Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure? Yes No

Article 5. Other provisions (please use separate page):

Article 6. NAMES & ADDRESSES OF INCORPORATORS

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true. Dated March 12, 1998.

SIGNATURES AND NAMES

POST OFFICE ADDRESS

- 1. [Signature]
Signature
Michael J. Ryan
Name (please print)
- 2. [Signature]
Signature
Peter J. Brennan
Name (please print)
- 3. [Signature]
Signature
Therese M. Ryan
Name (please print)
- 4. [Signature]
Signature
Scott Seyfarth
Name (please print)
- 5. [Signature]
Signature
Ed. Fitch
Name (please print)

- 1. Four Westbrook Corporate Center, St. 500
Street
Westchester, IL 60154
City/Town State Zip
- 2. Four Westbrook Corp. Cte, Suite 500
Street
Westchester, IL 60154
City/Town State Zip
- 3. Four Westbrook Corp. Center, Suite 500
Street
Westchester, IL 50154
City/Town State Zip
- 4. Westbrook Corp. Center, Suite 500
Street
Westchester, IL 60154
City/Town State Zip
- 5. Four Westbrook Corp. Center, Suite 500
Street
Westchester, IL 60154
City/Town State Zip

(Signatures must be in BLACK INK on original document. Carbon copy, xerox or rubber stamp signatures may only be used on the true copy.)

- If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by its President or Vice-President and verified by him, and attested by its Secretary or an Assistant Secretary.
- The registered agent cannot be the corporation itself.
- The registered agent may be an individual, resident in this State, or a domestic or foreign corporation, authorized to act as a registered agent.
- The registered office may be, but need not be, the same as its principal office.
- A corporation which is to function as a club, as defined in Section 1-3.24 of the "Liquor Control Act" of 1934, must insert in its purpose clause a statement that it will comply with the State and local laws and ordinances relating to alcoholic liquors.

FOR INSERTS - USE WHITE PAPER - SIZE 8 1/2 x 11

File No. _____

FORM NFP-102.10

ARTICLES OF INCORPORATION

under the

GENERAL NOT FOR PROFIT

CORPORATION ACT

of

SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES

CORPORATION DIVISION

SPRINGFIELD, ILLINOIS 62756

TELEPHONE (217) 782-9522

782-9523

(These Articles Must Be Executed and Filed

In Duplicate)

Filing Fee \$50

C-157.9

**DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS
FOR CENTENNIAL CROSSING
HOMEOWNERS ASSOCIATION**

605085

4091641

Filed for Record in:
LAKE COUNTY, IL
MARY ELLEN VANDERVENTER - RECORDER
On Feb 25 1998
At 9:09am
Receipt #: 95629
Doc/Type: DCL
Deputy - Cashier #1

This Declaration made this 20th day of February 1998, by Owner of Record (hereinafter referred to as "Declarant").

WITNESSETH:

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

WHEREAS, Declarant desires to develop a single family development on the Property (hereinafter referred to as the "Development"); 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 owners and public welfare and more specifically for the purpose of enhancing and protecting the value of aforesaid property and insuring maintenance of the Common Area, in conformity with all applicable ordinances, and for collecting and disbursing the assessments and charges hereinafter provided for, and for such other purposes as hereinafter described;

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 intended to constitute a general plan for the benefit of and enforcement by all present and future owners of any of the lots in the subdivision, so as to protect the value and desirability of the

THIS INSTRUMENT WAS PREPARED BY mail to
PETER J. BRENNAN
FOUR WESTBROOK CORPORATE CENTER, SUITE 500
WESTCHESTER, ILLINOIS 60154

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CHICAGO TITLE INSURANCE CO.

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

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

- 1.1. "Association" shall mean and refer to the Centennial Crossing Homeowner's Association, an Illinois not for profit corporation, its successors and assigns.
- 1.2. "Board" shall mean and refer to the Board of Directors of the Association.
- 1.3. "Common Area" shall mean all real property owned, to be owned and maintained by the Association for the common use and enjoyment of the Owners. The Common Area shall include the entrance ways, entrance islands and complimentary landscaping associated with these entrance features, detention areas as shown on the plat, alley lights, boulevards, monuments, fencing and all alleys as shown on the plat, and landscaping and/or fencing, if any, along Route 45. Such Common Area may include but not be limited to Outlots A, B, C, E, F, G, J, K, L, M, N, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, DD, and EE, the entry monument located in the right of way, and the fifteen (15) foot Landscape easements along the North line of the Property, as shown on the Plat of Subdivision.
- 1.4. "Declarant" shall have the meaning set forth in the first Paragraph of this Declaration.
- 1.5. "Developer" shall mean and refer to the owner or owners, from time to time, of one hundred percent (100%) of the beneficial interest in, to and under the Declarant.
- 1.6. "Lot" shall mean that part of the Property known as a Lot pursuant to the Subdivision Plat acknowledged and recorded (or to be acknowledged and recorded) by the Declarant which designates a part of the Property as a Lot for the purposes of this Declaration.
- 1.7. "Improvement" or "Improvements" shall mean and include dwellings, any and all buildings, driveways, pedestrian walkways, fences, decks, patios, hedges, lawns, sidewalks, planted trees, shrubs and all other structures or landscaping improvement of every kind and description.
- 1.8. "Member" shall mean and refer to every person or entity who owns a Lot in the Property.
- 1.9. "Owner" shall mean and refer to the record owner (or the beneficiary of a land trust which may be a record owner) whether one or more persons or entities, of a fee simple title to a Lot, excluding those who have such interest merely as security for the performance of an obligation.

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ARTICLE II

PROPERTY OWNERS ASSOCIATION

Every purchaser of a Lot, shall automatically become a member of an association known as the Property Owners Association, hereinafter called the "Association", and shall remain such so long as ownership is retained. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The Property Owners Association shall be formed in perpetuity.

ARTICLE III

VOTING RIGHTS

The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all the Owners with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article II. When more than one person holds such 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 vote be cast with respect to any one Lot.

CLASS B. The Class B member shall be the Declarant. The Class B member shall be entitled to six (6) votes for each parcel or parcel that a Lot could be built on in which it holds the interest required for membership by Article II, provided that the Class B membership shall cease and be converted to Class A membership as follows:

At such time as occupancy permits for eighty (80) percent of the Lots have been issued, or until such time as eighty (80) percent of the Lots have been sold, whichever occurs first.

ARTICLE IV

EASEMENTS

4.1. Declarant hereby declares the following non-exclusive easements are hereby created with respect to the Common Area:

(a) Each Owner and their respective guests, invitees and employees shall have a non-exclusive easement for use and enjoyment in and to the Common Area subject to the following: (I) the right of the Association to pass reasonable rules and regulations relating to such use and

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enjoyment, (ii) the right of the Association to suspend an Owner's right to use or enjoy such easement for any period during which such Owner may be in violation of this Declaration, (iii) the right of the Association to levy assessments as herein provided, and (iv) any and all rights reserved to Declarant and the Association as herein provided.

4.2. The Declarant, Association and any of their respective agents, employees and independent contractors shall have the right to enter upon the Common Area and any Lot to the extent necessary for the purpose of maintaining, repairing and replacing the Common Area and any improvements in, on, under or upon the Common Area as herein provided or for performing any of their respective obligations herein provided. In any such case, the Declarant, Association or any of their agents, employees or independent contractors shall not be guilty of any trespass.

4.3. The Declarant, and the Association hereby reserve the right to grant easements for ingress, egress, installation, construction, reconstruction, maintenance, repair, operation and inspection of utility services over, under, across and through the Common Area as they deem necessary or desirable in order to effectuate the intent of this Declaration.

4.4. The Village of Vernon Hills shall have the right to enter upon the Common Area and/or Detention Facilities to the extent necessary for maintenance purposes. In such case, the Village shall not be guilty of any trespass.

ARTICLE V

Restrictive Covenants

5.1. Fence Restriction. The Owner of each lot may (but need not) erect a fence on the interior boundary of the Owner's Lot. Any fence which is erected on the interior boundary of the Owner's Lot shall be subject to the following:

(a) the fence shall be constructed within the final P.U.D. fence guidelines as supplemented by the Village Code, stating the type of fence allowed;

(b) the Owner of the Lot shall at all times maintain the fence in good condition and repair at the Owner's sole cost and expense; and

(c) the Owner shall, before constructing any fence, submit his/her plan (location and type) for the fence to the Village for approval.

(d) Rear yard fencing on those lots along White Barn Road shall be placed on the inside of the Landscape Easement.

5.2. Parking Restriction. There shall be no parking allowed in any alley on the Property except in the designated area behind Lots 11-17. This restriction shall primarily be enforced by the Association. In addition, the association will permit the Village to enforce this restriction upon

execution of an enforcement agreement, subject to the sole discretion of the Village as to entering into such an agreement.

5.3. General Restrictions.

- A. All Lots shall be used only for Single-Family Dwellings. Each Owner shall (i) maintain his Lot and all Improvements located thereon in a clean, sightly and safe condition, (ii) cause the prompt removal of all papers, debris and refuse therefrom and the removal of snow and ice from all sidewalks, driveways and similar areas serving said Lot and (iii) comply with all applicable governmental codes, laws, ordinances, orders, decrees, rules and regulations.
- B. All Improvements shall be constructed in accordance with all applicable governmental building and zoning codes, laws, ordinances, orders, decrees, rules and regulations, if, and to the extent any conflict exists between the terms and conditions of this Declaration and the provisions of any such codes, laws, ordinances, orders, decrees, rules and regulations, then such conflict shall be resolved by the application of the more stringent provision the higher or better quality result. Any additions to a home shall not exceed the maximum floor area ratio established, and all exterior modifications shall conform to the architectural standard contained within the Final P.U.D. Plans, and shall be approved by the Village.
- C. No noxious or offensive activity shall be carried on, in or upon the Property, nor shall anything be done thereon which may constitute or become an annoyance or nuisance to the Owners.
- D. Except as expressly provided herein, no temporary building, no detached storage shed, trailer, mobile home, recreational vehicle, permanent tent, shack or other similar Improvement shall be located upon the Lots.
- E. No porticos shall be used as second story patios.
- F. No Person shall accumulate on his Lot any derelict vehicle, litter, refuse or other unsightly materials. Garbage shall be disposed of in accordance with Village code or ordinance. All garbage (except recycling and yard waste) shall be enclosed in "roll out" containers.
- G. Trucks, boats, recreational vehicles, trailers or other vehicles (other than automobiles) shall at all times be parked in the garage of the Dwelling and their repair or maintenance shall not be permitted except within the confines of the garage.
- H. No animals (other than inoffensive common domestic household pets such as dogs and cats) shall be kept on any Lot or within the confines of any Improvement thereon. The breeding or keeping of dogs or cats for sale or profit is expressly prohibited. Dog runs are to be maintained at all times so as to be non-offensive.
- I. The erection of any communication antennae or similar devices (other than simple mast antennae or television reception device located on the roof of a Dwelling) shall not be allowed unless

completely screened from view and approved in writing in advance by the Board of the Association. The Owner shall obtain a permit from the Village, if necessary, before erecting such device.

J. Each Owner shall keep all areas of the Lots designed or intended for the proper drainage or detention of water, including swale lines and ditches, unobstructed and mowed regularly. No trees, plantings, shrubbery, fencing patios, structures, landscaping treatment or other obstructions shall be planted, placed or allowed to remain in any such areas, and no Owner shall alter the rate or direction of flow of water from any Lot by impounding water, changing grade, blocking or redirecting swales, ditches or drainage areas or otherwise. Each Owner acknowledges, by acceptance of a deed to a Lot, that any and all such drainage or detention areas are for the benefit of the entire Property.

K. All refuse disposal shall be contained in roll out 90 gallon containers or a similar container as approved by the Village.

Article VI

HOMEOWNERS ASSOCIATION

6.1. The Developer shall form an Illinois not-for-profit corporation to be known as the Centennial Crossing Homeowners Association which shall provide for maintenance and operation of the Common Area.

6.2. (a) The Association shall have a Board of not less than five (5) directors who shall be elected by the Members of the Association at such intervals as the articles of incorporation and By-laws of the Association shall provide, except (I) that vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled by the Board if so provided by the articles of incorporation or By-laws and (ii) that the first Board and subsequent Boards (until the Turnover Date) shall be appointed by the Developer. Except for directors of the Board appointed by the Developer, all directors shall be Members of the Association. The Developer may, from time to time, by written notice to the Association, elect to relinquish its right to appoint any one or more directors and continue to exercise its right to appoint the remaining directors of the Board until the Turnover Date.

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

6.3. The Developer shall, through the Board appointed by it in accordance with this Section, exercise control over all Association matters, until such time as occupancy permits for eighty (80) percent of the Lots have been issued, or until such time as eighty (80) percent of the Lots have been sold, whichever occurs first. The date upon which the authority to appoint the Board passes to the Members is hereinafter referred to as the "Turnover Date." On or prior to the Turnover Date, the Developer shall cause Declarant to convey to the Association, and the Association shall accept, the Common Area to be owned by the Association hereunder and the Association shall maintain the Common Area as required hereunder.

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

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

6.5. Maintenance of Improvements.

It shall be the responsibility of the Association to own and maintain the Common Area. Each Owner shall bear his or her proportion of responsibility and cost for the continued maintenance, operation and preservation of the Common Area, both on the surface and underground.

The Declarant shall be responsible for the maintenance of all improvements specified in the first paragraph of this Section until such time as occupancy permits for eighty (80) percent of the Lots have been issued, or until such time as eighty (80) percent of the Lots have been sold, whichever occurs first. Thereupon, maintenance responsibility shall become the responsibility of the Association. All on-site detention improvements, if any, cannot be developed for any other use which would limit or cause to limit their use and function for the management of stormwater.

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

(a) Employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent by Developer shall give the Association the right to terminate without cause or penalty not later than sixty (60) days after the date the initial meeting of the Members of the Association is held as provided in the By-laws;

(b) Establish and maintain a Contingency and Replacement Reserve in an amount to be determined by the Board;

- (c) Maintain the Common Area as defined at Section 1.3 above.
- (d) Provide for the maintenance of landscaping, signs, monuments, fencing, retaining walls, lighting and other improvements, if any, located within the Common Area;
- (e) Make such improvements to the Common Area and provide such other facilities and services as may be authorized from time to time by the affirmative vote of two-thirds (2/3) of the Members of the Association acting in accordance with its articles of incorporation and By-laws and upon proper review and approval of the Village of Vernon Hills; and
- (f) Exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Members by this Declaration, the articles of incorporation or the By-laws.

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

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

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

authority of the Board.

(b) Until the Turnover Date, Developer shall have the right, but not the obligation, to maintain the Common Area and all signs and monuments located thereon and, in its sole discretion, pay all expenses and costs arising in connection with the Common Area, including, without limitation, the costs of improving and maintaining the Common Area (and any signs and monuments located thereon) and general real estate taxes payable in connection with the Common Area. To the extent that any real property taxes payable after the Turnover Date are attributable to the period prior to the Turnover Date, Developer shall reimburse the Association, on a pro rata basis, for such real property taxes.

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

ARTICLE VII

ASSESSMENTS

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

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

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

7.4. (a) The Board shall build up and maintain a reserve for the replacement of capital improvements, other authorized capital expenditures and for unforeseen expenditures (the "Contingency and Replacement Reserve"). Capital improvements and expenditures which may become necessary during the year shall be charged first against the Contingency and Replacement Reserve. Any expenditure from the Contingency and Replacement Reserve having a cost in excess of Ten Thousand Dollars (\$10,000.00) shall require the prior approval of the Members holding two-thirds (2/3) of the votes of the Association.

(b) If the Contingency and Replacement Reserve proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board may, at any time, levy a special assessment, which shall be assessed equally among the Owners, including Declarant. The Board shall serve notice of any such special assessment on all such Owners by a statement in writing giving the amount and reasons therefore, and such special assessment shall become effective and fully payable ten (10) days after the delivery or mailing of any such notice of assessment.

(c) Developer shall collect, from each initial purchaser of a Lot at the closing of the sale of any such Lot, a sum to be determined which amount shall be deposited in the Contingency and Replacement Reserve. On the Turnover Date, the Developer shall transfer all funds in the Contingency and Replacement Reserve account to the Association and the Association shall hold and apply such funds for the purposes set forth in this Section 6.4. The Declarant and Developer shall have no right to utilize any portion of such funds prior to the Turnover Date.

7.5. When the first Board elected by the Members hereunder takes office, it shall determine the Estimated Cash Requirement for the period commencing on the first day of the month following the Turnover Date and ending on December 31 of the calendar year in which the Turnover Date and ending on December 31 of the calendar year in which the Turnover Date occurs. The initial

Estimated Cash Requirement shall be assessed equally to all Owners, including the Declarant.

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

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

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

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

7.10. In addition to the rights and remedies set forth in Section 6.9., if any Owner shall default in the payment, when same shall be due, of the aforesaid charges or assessments and said default shall continue for thirty (30) days after written notice to said Owner by the Board, of the amount of unpaid

charges or assessments and a demand for payment thereof, the Board shall have the right to declare said default a forcible detainer of the Dwelling and shall have the right, on behalf of the other Owners, to enter and take possession of the Dwelling from any defaulting Owner, to put out said Owner, or any occupant or tenant claiming by, through or under said Owner, using such reasonable force as the Board shall deem necessary under the circumstances and, in addition, to exercise any other rights or remedies provided in the Forcible Entry and Detainer Act, Ill. Ann. Stat. ch. 110, para. 9-101 et seq. (Smith-Hurd 1987).

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

ARTICLE VIII

GENERAL PROVISIONS

8.1. The covenants and restrictions of this Declaration shall run with the land, and shall inure to the benefit of and be enforceable by the Board, or the Owner of any Lot or Unit subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded in the Office of the Recorder of Deeds of Lake County, Illinois, after which time said covenants shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinabove provided.

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

8.3. If at any time or times the Board shall deem it necessary or advisable to rerecord this Declaration or any part thereof in the Office of the Recorder of Deeds of Lake County, Illinois, in order to avoid the expiration hereof or of any of the covenants or other provisions herein contained under any of the provisions of ch. 110, para. 13-118 et seq. of the Illinois Annotated Statutes presently in force and commonly known as the Marketable Title Act, or any other law or statute of similar purport, it shall submit the matter to a meeting of the Members of the Association called upon not less than ten (10) days' notice, and unless at such meeting at least two-thirds (2/3) of said Members shall vote against such rerecording, the Board shall have, and is hereby granted, power to so rerecord this Declaration or such part thereof, and such rerecording shall be binding upon all Owners of any part of the Property in every way and with all the full force and effect as though such

action were taken by each of said Owners and the rerecorded document executed and acknowledged by each of them.

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

8.5. Developer and each Owner from time to time shall have the right jointly and separately to sue for and obtain a prohibitive or mandatory injunction to prevent the breach of, or to enforce the observance of, the covenants and obligations above set forth, or any of them, in addition to the right to bring a legal action for damages.

8.6. Subject to the provisions of Section 7.7, the Owners may revoke, modify, amend or supplement in whole or in part any or all of the covenants, obligations and conditions contained in this Declaration and may release all or any part of the Property from all or any part of this Declaration. Any such revocation, modification, amendment or supplement may be effective at any time if the Owners of at least two-thirds (2/3) of the Lots and the Developer consent thereto, the consent of the Developer being required so long as the Declarant owns any Lots. Any such revocations, modifications, amendments or supplements shall be effective only if expressed in a written instrument or instruments executed and acknowledged by each of the consenting Owners, certified by the Secretary of the Association and recorded in the Office of the Recorder of Deeds of Lake County, Illinois.

8.7. Declarant hereby reserves the right and power to record a special amendment (hereinafter the "Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans' Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchaser, sell, insure, or guarantee first mortgages encumbering any Lot, or (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In addition, a Special Amendment shall also be deemed to include, until the Turnover Date, such amendment to

this Declaration as Declarant elects to record at any time and from time to time for any other purpose, so long as such amendment will not materially impair the rights of the Owners hereunder or materially increase the expenses to be borne by them hereunder. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Said power shall be irrevocable. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant to vote in favor of, make, execute and record Special Amendment. Subject to the provisions of Section 8.12 hereof, the right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds title to any Lot.

8.8. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for development for the Property.

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

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

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

8.12. Notwithstanding anything herein to the contrary, either or both of Declarant and Developer, as Declarant and Developer in their sole discretion may determine, hereby reserve the right to transfer, assign, mortgage or pledge any and all of either's respective privileges, rights, title and interests hereunder, or in the Property, by means of recording an assignment of such with the Office of the Recorder of Deeds of Lake County, Illinois. Upon such assignment, either or both of Declarant and Developer, as the case may be, shall be relieved from any liability arising from the performance or non-performance of such rights and obligations accruing from and after the recording of such assignment. No such successor assignee of the rights of either or both of Declarant and Developer, as the case may be, shall have or incur any liability for the obligations or acts of any

predecessor in interest.

8.13. Each Owner of a Lot shall file the correct mailing address of such Owner with the Association and shall notify the Association promptly in writing of any subsequent change of address; provided, however, that if any Owner shall fail to so notify the Association, the mailing address for such Owner shall be the street address of the Lot owned by such Owner. The Association shall maintain a file of such addresses. A written or printed notice, deposited in the United States mails, postage prepaid, and addressed to any Owner at the last address filed by such Owner with Declarant shall be sufficient and proper notice to such Owner and shall be deemed delivered on the third (3rd) day after deposit in the United States mails.

ARTICLE IX

ENFORCEMENT

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 Association, against any person(s) violating or attempting to violate any covenant or restriction. The Village has the right but not the duty to enforce the covenants and restrictions.

ARTICLE X

AMENDMENTS

This Declaration may be amended provided any such provision for amendment states that amendments to all covenants or restrictions applicable to the stormwater detention facilities and improvements is expressly prohibited if the result would in any manner diminish their function of insuring compliance with all ordinance requirements (and other applicable regulations) concerning these improvements, and that the responsibility for continued maintenance, operation and preservation of said facilities shall not be abrogated by such amendment.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1. Severability. 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.

11.2. Waiver. The failure by the Association or any Owner or the Village of Vernon Hills to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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IN WITNESS WHEREOF, Owner of Record, hereby submits these Covenants and Restrictions to Lake County, Illinois Recorder of Deeds to record this document in the title deeds of said property.

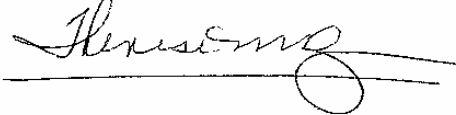
This Covenant shall be and is recorded as part of and in conjunction with the Plat of Subdivision of, recorded September 24, 1997 as Document No. 4023621 in Lake County, Illinois.

Dated this 20th day of February, A.D., 1998.

OWNER OF RECORD



Attest:



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Shayla Giannetti, a Notary Public in and for said County and State, do hereby certify that Michael J. Ryan and Therese M. Ryan, of said Association, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as Directors, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20th day of February, 1998

Shayla Giannetti
Notary Public



BY-LAWS OF
CENTENNIAL CROSSING HOMEOWNERS ASSOCIATION

ARTICLE I

PURPOSES AND POWERS

The Association shall be responsible for the general management and supervision of the Property and the ownership of the Common Area thereof and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration. Further, the Association shall have all powers now or hereafter granted by the General Not-For-Profit Corporation Act of the State of Illinois which shall be consistent with the purposes specified herein and in the Declaration. Any defined terms used in these By-Laws shall have the same meaning as set forth in the Declaration, except as otherwise provided herein.

ARTICLE II

OFFICES

- 2.1. The Association shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office shall be identical with such registered office. The Association may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.
- 2.2. The principal office of the Association shall be maintained in Lake County, Illinois.

ARTICLE III

MEMBERSHIP

- 3.1. (a) Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or any of its successors in interest owns one or more Lots.
- (b) From and after the Turnover Date, each Member shall be entitled to one (1) vote for each Lot owned by him on each matter submitted to a vote of Members; provided, however, that where there is more than one Owner of a Lot, such co-owners of a Lot shall only be entitled to one vote.
- 3.2. (a) Meetings of the Members shall be held at the principal office of the Association

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or at such other place in Lake County, Illinois, as may be designated in any notice of a meeting. The presence at any meeting, in person or by proxy, of a majority of the total votes determined pursuant to Section 3.1 above shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of the Members have a majority of the total votes present at such meeting. Any Member in writing may waive notice of a meeting, or consent to any action of the Association without a meeting.

(b) The initial meeting of the Members shall be held at such time as may be designated upon not less than ten (10) days' written notice given by the Declarant or Developer, provided that such initial meeting shall be held no later than sixty (60) days after the Turnover Date. Thereafter, there shall be an annual meeting of the Members on the third Tuesday of November of each succeeding year, at 7:30 o'clock P.M. If the date for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour on the first day next succeeding such date which is not a legal holiday.

(c) Special meetings of the Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Members, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board or by the Members having one-fourth (1/4) of the total votes, and delivered not less than five (5) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

3.3. Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Dwelling of the Owner with respect to which such voting right appertains, if no address has been given to the Board.

3.4. At any meeting of the Members, a Member entitled to vote may either vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

ARTICLE IV

BOARD OF DIRECTORS

4.1. The direction and administration of the Property in accordance with the provisions of the Declaration shall be vested in the Board consisting of five (5) persons who shall be elected in the manner hereinafter provided, except that until the Turnover Date the first and each subsequent Board shall be appointed by the Developer. From and after the Turnover Date, the Members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the number and term of the office of the Board members at any annual meeting, provided that such number shall not be less than five (5), and the terms of at least two-fifths (2/5) of the persons on the Board shall expire annually. Each member of the Board, with the exception of the Board members initially appointed

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by the Developer shall be an Owner; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust or agent or employee of a beneficiary of such trust, or manager of such legal entity, shall be eligible to serve as a member of the Board.

4.2. All matters of dispute or disagreement between Owners or with respect to interpretation or application of the provisions of the Declaration or these By-Laws shall be determined by the Board as hereinafter provided, which determination shall be final and binding on the Association and on all Owners.

4.3. At the initial meeting of the Members as provided in Section 3.2(b) hereof, and at all subsequent annual meetings of the Members there shall be elected members of the Board. In all elections for members of the Board, each Member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Five (5) Board members shall be elected at the initial meeting and shall serve until the first annual meeting. The three (3) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two (2) years and the two (2) persons receiving the next highest number of votes at the first annual meeting shall be elected to the Board for a term of one (1) year. In the event of tie votes, the members of the Board shall determine which members shall have the two (2) year terms and which members shall have the one (1) year terms. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of two (2) years each. Notwithstanding the aforesaid election procedure the Developer may appoint a Board which shall have the same powers and authority as given to the Board generally, as provided hereinafter, and such appointed Board shall function until such time as the initial meeting of the Members is held.

4.4. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the Members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

4.5. Vacancies in the Board, other than as a result of removal pursuant to Paragraph 4.7, including vacancies due to any increase in the number of persons on the Board, shall be filled by majority vote of the remaining members of the Board or of the Members present at the next annual meeting or at a special meeting of the Members called for such purpose.

4.6. The Board shall elect from among its members: (i) a President who shall preside over both its meetings and those of the Members, and who shall be the chief executive officer of the Board and Association, (ii) a Secretary who will keep the minutes of all meetings of the Members and of the Board and who shall, in general, perform all the duties incident to the office of Secretary, and (iii) a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. All officers shall be elected at each annual meeting of the Board

and shall hold office at the pleasure of the Board.

4.7. Any Board member may be removed from office by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Board member removed may be elected by the Members at the same meeting or any subsequent meeting called for that purpose.

4.8. The initial meeting of the Board shall be held immediately following the initial meeting of the Members and at the same place. At such meeting the Board shall elect its officers to serve until the first annual meeting which shall be held immediately following the first annual meeting of the Members, and at the same place. All subsequent annual meetings of the Board shall be held immediately after, and at the same place as, the annual meeting of Members. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each member of the Board, delivered personally or by mail or telegram. Any member of the Board, may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board with a meeting. A majority of the number of Board members shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action may be taken by the Board upon the affirmative vote of those present at its meetings when a quorum is present.

4.9. All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and countersigned by the Secretary.

ARTICLE V

POWERS OF THE BOARD

5.1. Without limiting the general powers which may be provided by law, the Declaration or these By-Laws, the Board shall have the power and duty to:

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

(b) Establish and maintain a Contingency and Replacement Reserve in an amount to be determined by the Board;

- (c) Maintain the Areas designated in 1.3 of the declaration.
- (d) Maintain the sod, landscape, and fencing area, if any, at the entrance.
- (e) Provide for the maintenance of landscaping, signs, monuments, fencing, retaining walls, lighting and other improvements, if any, located within the Common Area;
- (f) Make such improvements to the Common Area and provide such other facilities and services as may be authorized from time to time by the affirmative vote of two-thirds (2/3) of the Members of the Association acting in accordance with its articles of incorporation and By-laws; and
- (g) Exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Members by this Declaration, the articles of incorporation or the By-laws.

5.2. The Board shall have the power to seek relief from or in connection with the assessment or levy of any general real estate taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful assessing body, which are authorized by law to be assessed and levied on the Common Area and to charge all expenses incurred in connection therewith to the maintenance fund.

5.3. (a) The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Owners and occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

(b) The Developer or Board may engage the initial management organization under contracts expiring not later than ninety (90) days after the date the initial meeting of Members is held. Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board.

(c) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

5.4. The members of the Board and the officers of the Association shall not be personally liable to the Owners or others for any mistake of judgement or for any acts or omissions made in good faith by such officers or Board Members.

ARTICLE VI

ASSESSMENTS - MAINTENANCE FUND

6.1. Each year on or before November 1, the Board will estimate the total amount of maintenance expenses necessary to pay the cost of wages, materials, taxes, insurance, services, supplies and any other necessary or desirable items which will be required during the ensuing calendar year (January 1 - December 31) for services authorized by the Board, together with a reasonable amount necessary to fund the Contingency and Replacement Reserve, and shall, on or before December 1, notify each Owner in writing of the amount of such estimate ("Estimated Cash Requirement"). Such Estimated Cash Requirement shall be prepared on a line-item basis. The Estimated Cash Requirement shall be assessed equally among all of the Owners, including the Declarant. On or before January 1 of the ensuing fiscal year, each Owner shall be obligated to pay to the Board, or as it may direct, the annual assessment made pursuant to this Section 6.1. On or before the date of the annual meeting of each calendar year, the Board shall furnish to all Owners an itemized accounting of the maintenance expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected from the Owners pursuant to assessments made during such year and showing the net amount over or short of the actual expenditures, plus reserves. The Board shall, upon demand at any time, furnish a certificate in writing signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment or nonpayment of any assessment thereon.

6.2. (a) The Board shall build up and maintain a reserve for the replacement of capital improvements, other authorized capital expenditures and for unforeseen expenditures (the "Contingency and Replacement Reserve"). Capital improvements and expenditures which may become necessary during the year shall be charged first against the Contingency and Replacement Reserve. Any expenditure from the Contingency and Replacement Reserve having a cost in excess of Ten Thousand Dollars (\$10,000) shall require the prior approval of the Members holding two-thirds (2/3) of the votes of the Association.

(b) If the Contingency and Replacement Reserve proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board may, at any time, levy a special assessment, which shall be assessed equally among the Owners, including Declarant. The Board shall serve notice of any such special assessment on all such Owners by a statement in writing giving the amount and reasons therefore, and such special assessment shall become effective and fully payable ten (10) days after the delivery or mailing of any such notice of assessment.

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

6.4. The failure or delay of the Board to prepare or serve the Estimated Cash Requirement on any Owner shall not constitute a waiver or release in any manner of any Owner's obligation to pay

his share of such Estimated Cash Requirement as herein provided, as and when the Estimated Cash Requirement shall be determined, and, in the absence of the preparation of the Estimated Cash Requirement, at the then existing annual rate established for the previous calendar year, subject to adjustment at such time as the Estimated Cash Requirement has been prepared and the Owners have been notified thereof.

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

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

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

6.8. In addition to the rights and remedies set forth in Section 6.7 of these By-Laws, if any Owner shall default in the payment, when same shall be due, of the aforesaid charges or assessments and said default shall continue for thirty (30) days after written notice to said Owner by the Board, of the amount of unpaid charges or assessments and a demand for payment thereof, the Board shall have the right to declare said default a forcible detainer of the Dwelling and shall have the right, on behalf of the other Owners, to enter and take possession of the Dwelling from any defaulting Owner, to put out said Owner, using such reasonable force as the Board shall deem necessary under the

circumstances, and, in addition, to exercise any other rights or remedies provided in the Forcible Entry and Detainer Act, Ill. Ann. Stat. ch. 110, para. 9-101 et seq. (Smith-Hurd 1987).

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

All Owners shall maintain, occupy and use their Lot and the Common Area only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Members. The Board shall have full authority to enforce all such rules and regulations by taking all action as may be necessary.

ARTICLE VIII

COMMITTEES

8.1. The Board, by resolution, adopted by a majority of the Board, may designate one (1) or more committees, each of which shall consist of one (1) or more members of the Board; said committees, to the extent consistent with law and as provided in said resolution, shall have an exercise the authority of the Board in the management of the Association; but the designation of such committees and the delegation thereof of authority shall not operate to relieve the Board, or any individual member of the Board, of any responsibility imposed upon it or him by law.

8.2. Other committees not have and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the members of the Board present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members of the Association, and the President of the Association shall appoint the members thereof. Any member thereof may be removed whenever in the judgement of the Board the best interests of the Association shall be served by such removal.

8.3. Each member of a committee shall continue as such until the next annual meeting of the Board and until his successor is appointed and shall have qualified, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

8.4. One (1) member of each committee shall be appointed chairman.

8.5. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointment.

8.6. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members

present at a meeting at which quorum is present shall be the act of the committee.

8.7. Each committee may adopt rules for its own governance not inconsistent with these By-Laws or with rules adopted by the Board.

ARTICLE IX

INTERIM PROCEDURE

Until the initial meeting of the Members as provided in Section 3.2(b) hereof, the Declarant or Developer may appoint the Board which shall have the same powers and authority as given to the Board generally.

ARTICLE X

AMENDMENTS

These By-Laws may be amended or modified from time to time by action or approval of the Members entitled to cast two-thirds (2/3) of the total votes computed as provided in Section 3.2 and the Developer so long as Declarant owns any Lots. Such amendment shall be recorded in the Office of the Recorder of Deeds of Lake County, Illinois.


ARTICLE XI

INTERPRETATION

In the case of any conflict between the articles of incorporation of the Association and these By-Laws, the articles of incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the directors of ^{Centennial Crossing} HOMEOWNERS ASSOCIATION have hereunto set our hands the 20th day of February, 1998.

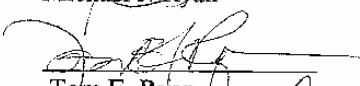
CENTENNIAL CROSSING HOMEOWNERS ASSOCIATION



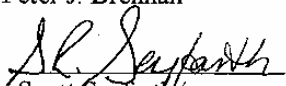
Michael J. Ryan



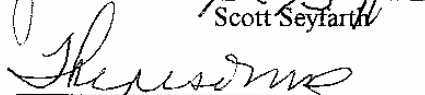
Peter J. Brennan



Tom E. Ryan



Scott Seyfarth



Therese M. Ryan

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Exhibit A

RANNEY ADDITION TO VERNON HILLS BEING A SUBDIVISION OF PART OF THE SOUTHEAST QUARTER OF SECTION 8 AND PART OF THE SOUTHWEST QUARTER OF SECTION 9, ALL IN TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

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