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JEAN DIMKE, RECORDER
JO DAVIESS COUNTY, IL
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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NORTHRIDGE TOWNHOUSE

(AS MERGED WITH HICKORY RUN TOWNHOUSE)

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Northridge Townhouse (hereinafter referred to as "Declaration") and the Amended and Restated By-Laws of Hickory Run Townhouse Association, Inc. (hereinafter referred to as "By-Laws"), attached hereto as Exhibit "C", are recorded for the purpose of amending and restating the Northridge Townhouse Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as "Original Declaration"), which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on June 12, 1990 as Document No. 203951, as amended, and the By-Laws of Hickory Run Townhouse Association, Inc. (hereinafter referred to as "Original By-Laws"), as amended. This Declaration and the By-Laws attached hereto as Exhibit "C" are made and entered into by the Board of Directors of the Hickory Run Townhouse Association, Inc. in accordance with the provisions of Section 1-60(a) of the Illinois Common Interest Community Association Act (765 ILCS 160/1-60(a)), which provides that the Townhouse Association may correct errors or omissions in the Original Declaration and Original By-Laws as may be required to conform to said Act and any other applicable statute by vote of two-thirds (2/3) of the members of the Board.

PREAMBLE

WHEREAS, the Hickory Run Townhouse Association, Inc. (hereinafter the

"Townhouse Association") through its Board of Directors administers the property legally described in Exhibit "A", which is attached hereto and made a part hereof (hereinafter referred to as the "Premises");

WHEREAS, the Premises were made subject to the General Declaration of Covenants and Restrictions dated July 23, 1973, and recorded July 25, 1973, in Book 7 of Misc. Records, Pages 780-798; Supplemental Declaration dated July 23, 1973, and recorded July 25, 1973, in Book 7 of Misc. Records, Pages 799-802; Amendment to Declaration of Covenants and Restrictions dated September 10, 1973, and recorded September 14, 1973, in Book 7 of Misc. Records, Pages 864-866; Second Supplemental Declaration dated September 24, 1973, and recorded October 3, 1973, in Book 7 of Misc. Records, Pages 884-885; and Amendment to General Declaration of Covenants and Restrictions dated October 26, 1978, and recorded October 26, 1978, in Book 12 of Miscellaneous Records, Pages 145 and 146 and any subsequent amendments. The By-Laws of the Galena Territory Association, Inc. and The General Declaration of Covenants and Restrictions as amended and supplemented are incorporated herein and by reference made a part hereof;

WHEREAS, the Original Declaration was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on June 12, 1990 as Document No. 203951;

WHEREAS, the Original Declaration was amended by the Amendment to the Declaration of Covenants, Conditions and Restrictions dated March 2012;

WHEREAS, the Original By-Laws were amended by an amendment dated April 17, 1995;

WHEREAS, an Agreement to Merge Townhouse Association ("Merger Agreement") was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on January 6, 1992 as Document No. 213388;

WHEREAS, pursuant to the Merger Agreement, the Townhouse Association was formed to maintain, operate and manage the townhouse residential buildings and improvements on the real estate legally described in both this Declaration and the Hickory Run Townhouse Declaration of Covenants, Conditions and Restrictions ("Hickory Run Declaration") which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on October 4, 1990 as Document No. 205855, as amended;

WHEREAS, pursuant to the Merger Agreement, the owners of townhouse units subject to both this Declaration and the Hickory Run Declaration shall be members of the Townhouse Association;

WHEREAS, the Board of Directors desires to amend and restate the Original Declaration, as amended, replacing it, in its entirety, with this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Northridge Townhouse;

WHEREAS, the Board of Directors desires to amend the Original Declaration, as amended, to conform that document to the current provisions of the Illinois Common Interest Community Association Act as well as any other applicable statutes and correct any scrivener's errors or omissions;

WHEREAS, the Board of Directors desires to amend and restate the Original By-Laws, as amended, replacing it, in its entirety, with the Amended and Restated By-Laws of Hickory Run Townhouse Association, Inc., attached hereto as Exhibit "C";

WHEREAS, the Board of Directors desires to amend the Original By-Laws, as amended, to conform that document to the current provisions of the Illinois Common Interest Community Association Act as well as any other applicable statutes and correct any scrivener's errors or omissions;

WHEREAS, this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Northridge Townhouse and the Amended and Restated By-Laws of Hickory Run Townhouse Association, Inc., attached hereto as Exhibit "C", have been approved by the affirmative vote of at least two-thirds (2/3) of the members of the Board at a meeting of the Board;

WHEREAS, this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Northridge Townhouse and the Amended and Restated By-Laws of Hickory Run Townhouse Association, Inc., attached hereto as Exhibit "C", shall become effective upon recordation in the Office of Recorder of Deeds, Jo Daviess County, Illinois.

NOW THEREFORE, the Northridge Townhouse Declaration of Covenants, Conditions and Restrictions is hereby restated and amended as follows:

ARTICLE I

DEFINITIONS

The following words and terms when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meaning:

Section 1.01: Act: The Illinois Common Interest Community Association Act (765 ILCS 160/1-1 et. seq.), as amended from time to time.

- Section 1.02: Board: The Board of Directors of the Townhouse Association, as constituted at any time or from time to time, in accordance with the applicable provisions of Section 4.04.
- Section 1.03: By-Laws: The Amended and Restated By-Laws of Hickory Run Townhouse Association, Inc., a copy of which is attached hereto as Exhibit "C" and by this reference made a part hereof.
- Section 1.04: Common Area: All of the Premises except the property included in Townhouse Units.
- Section 1.05: Common Expense: Cost of maintaining and repairing the Common Area and all other expenses lawfully incurred by the Townhouse Association or the Board which pertain to the Northridge Townhouses.
- Section 1.06: Declarant: The Branigar Organization, Inc., an Illinois corporation.
- Section 1.07: Declaration: shall mean and refer to this instrument and all exhibits hereto, as amended or supplemented from time to time.
- Section 1.08: Family: One or more persons each related to the other by blood, marriage, or law, and including foster children, together with such relative's respective spouses, who are living together in a single Townhouse Unit and maintaining a common household; or up to and including three persons not so related, provided that such unrelated persons maintain a common household in a single Townhouse Unit.
- Section 1.09: Member: Every person or entity who holds membership in the Townhouse Association.
- Section 1.10: Owner: A record owner, except the Declarant, whether one or more persons or entities, of a fee simple title to any Townhouse Unit.
- Section 1.11: Possible Additional Development Area: The real estate as shown on Exhibit B which may, at Developer's discretion be added to the Premises pursuant to Article VIII.
- Section 1.12: Premises: The real-estate legally described in Exhibit A and such other real estate as may be added thereto pursuant to Article VIII.

- Section 1.13: Property Owners' Association: The Galena Territory Association, Inc., an Illinois Not-for-Profit Corporation, its successors and assigns.
- Section 1.14: Townhouse Association: Hickory Run Townhouse Association, Inc., as provided in Section 4.01, its successors and assigns.
- Section 1.15: Townhouse Building: A structure containing Townhouse Units, with party walls straddling the boundaries between such units.
- Section 1.16: Townhouse Unit: Each residential unit identified by number and described in a recorded plat for the Northridge Townhouses in the Office of the Recorder of Deeds for Jo Daviess County, Illinois, each of which units Declarant hereby subjects to the provisions of this Declaration; and such other units as hereafter are identified and described in a recorded plat for a townhouse development made subject to this Declaration. A Townhouse Unit is one single family residential dwelling in a Townhouse Building and its accompanying Townhouse Unit Exterior. One family may occupy more than one Townhouse Unit; however, such use shall in no way affect the rights, duties and obligations under this Declaration and for the purposes of determining membership in the Townhouse Association, each such Townhouse Unit shall be considered as a separate and individual unit. If two or more Townhouse Units are combined and occupied by a family, each Townhouse Unit shall nevertheless be considered a separate Townhouse Unit under this Declaration.
- Section 1.17: Townhouse Unit Exterior: The roof, foundation, exterior steps, footings and outer surface of exterior walls (except glass) of the Townhouse Unit and all portions of the Townhouse Unit which are not improved with the residence or garage including, without limitation, the following:
- (a) Driveways, walkways, patios, grass, shrubbery and other landscaping; and
 - (b) Those portions of water, sewer, electric and other operating systems which serve more than one Townhouse Unit and/or the Common Area (but not including those portions of such systems which serve only the residence or garage located on the Townhouse Unit).

ARTICLE II

PROPERTY RIGHTS AND RESTRICTIONS

Section 2.01: Conveyances Subject to Declaration

All covenants and restrictions shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any person having any interest or estate in the Premises, and their respective heirs, successors, personal representatives or assigns.

Section 2.02: Access Easement

Every Owner shall have a perpetual nonexclusive easement for ingress and egress from his or her Townhouse Unit over and across the Common Area.

Section 2.03: Delegation of Use

Subject to this Declaration, the By-Laws and the reasonable rules and regulations of the Townhouse Association, any Owner may delegate his or her right to use and enjoy the Common Area to persons in his or her Family, or to his or her guests or tenants who reside in his or her Townhouse Unit.

Section 2.04: Townhouse Association's Right of Ingress and Egress

The employees and agents of the Townhouse Association shall have the right to ingress and egress over and upon the Common Area and Townhouse Unit Exteriors for any and all purposes connected with any duties or powers of the Townhouse Association hereunder with respect to the Common Area and Townhouse Unit Exteriors.

Section 2.05: Declarant's Reserved Right

Notwithstanding any provision herein to the contrary, Declarant, and its successors and assigns shall have the following rights:

- (a) The right for its employees, agents, licensees and invitees to have ingress and egress over, in, through and upon the Common Area and Townhouse Unit Exteriors for the purpose of showing the Common Area to prospective purchasers or lessees of Townhouse Units;
- (b) The right to retain legal title to all or any part of the Common Area; provided

that Declarant shall convey, or cause to be conveyed the Common Area to the Townhouse Association, no later than five (5) years after the conveyance of the last Townhouse Unit subject to the terms and conditions of this Declaration, whether located on the Premises or the Possible Additional Development Area. The Declarant reserves a nonexclusive, perpetual access easement over and across the Common Area or parts thereof; such easement shall run with and bind the land and inure to the benefit of real estate located adjacent to or near the Common Area;

- (c) The right to grant easements, through, across, under and over the Common Area, to any public or private utilities, cable television companies or governmental bodies for the installation and maintenance of electrical and telephone conduit and lines, television cable and related equipment, gas pipes, sewers or water pipes, or any other utility services serving any Townhouse Unit or the Common Area;
- (d) The right to place and maintain on the Premises model Townhouse Units, sales offices, business conference facilities which may be Townhouse Units designed or remodeled to accommodate such functions, advertising signs, and lighting in connection therewith, at such locations and in such forms as the Declarant may, in its discretion, determine and to use available parking facilities for its guests, employees, agents, contractors, or any one claiming by or through it.
- (e) The right of ingress and egress in, through and upon the Common Area, the right to make alterations and additions to the Common Area, and the right to temporarily store construction material on the Common Area with respect to any of Declarant's activities in connection with construction, promotion, sale or lease of the Townhouse Units or of additional residential housing units located or to be located adjacent to or near the Premises.

Declarant, at its expense, shall be responsible for the repair of any damage caused by it, or its agents and invitees, to the Common Area or the Townhouse Units as a result of the exercise of any of the Declarant's rights under this Section.

Section 2.06: Easement for Unintentional Encroachment

Notwithstanding any other provisions contained herein, in the event that any Townhouse Unit or any Townhouse Building or any improvements thereto or any facilities servicing primarily one or more Townhouse Units encroaches upon any of the Common Area or any other Townhouse Unit where such encroachment results from the design, construction, reconstruction, or shifting of any such Townhouse

Unit or structure containing such Townhouse Unit, then a perpetual easement appurtenant to such Townhouse Unit or structure shall exist for the continuance of any such encroachment on the Common Area or such other Townhouse Unit.

Section 2.07: Rights of Board

After the Common Area is conveyed to the Townhouse Association, the Board shall have the right and power (i) to grant easements over the Common Area to public or private utilities, cable television companies or governmental bodies for the installation and maintenance of electrical and telephone conduit lines, television cables and related equipment, gas pipes, sewers or water pipes, or any other utility services serving any Townhouse Unit or the Common Area and (ii) to execute all documents and all other actions affecting the Common Area.

ARTICLE III

COVENANTS AND RESTRICTIONS AS TO USE AND MAINTENANCE

Section 3.01: Maintenance of Common Area

Maintenance, repairs and replacements of the Common Area shall be furnished by the Townhouse Association as part of the Common Expenses and shall include, without limitation, the following:

- (a) The maintenance (including snow removal), repair and replacement of the streets, walks, paths, parking areas, access facilities, playgrounds, and all other recreational facilities and improvements located on the Common Area; and
- (b) The planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Common Area.

Section 3.02: Maintenance of Townhouse Unit Exterior

The Townhouse Association shall be responsible for the maintenance, repair and replacement of the Townhouse Unit Exterior and may use insurance proceeds, if any, pursuant to Section 5.02.

Section 3.03: Maintenance of Townhouse Units

Except as otherwise provided in this Section, each Owner shall be responsible for the maintenance, repair and replacement of its Townhouse Unit.

Section 3.04: Damage Caused by Owner

If, due to the act of or the neglect of an Owner, or a member of such Owner's Family or household pet or a guest or other authorized occupant or invitee of such Owner, damage shall be caused to the Common Area or a Townhouse Unit Exterior and maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board. The amount necessary for such repairs, if not paid by the Owner, shall be charged to such Owner as a special assessment, which shall be a lien on such Owner's Townhouse Unit. In the event that any Owner alters any of the landscaping or that portion of its Townhouse Unit Exterior for which the Townhouse Association is responsible so as to increase the cost of the maintenance of said landscaping or to require additional work to repair any damage caused thereby or to restore to original condition, then the Board shall charge the cost thereof to such Owner as a special assessment, which shall be a lien on such Owner's Townhouse Unit.

Section 3.05: Residential Use:

- (a) Each Townhouse Unit is hereby restricted to use by its Owner, the Owner's family, servants and guests, tenants or lessees, as a residence only and shall in no event be used at any time for any purpose other than residential purposes. The rental or leasing by an Owner of its Townhouse Unit for residential purposes shall not be prohibited, regardless of the term of occupancy.
- (b) The foregoing restrictions as to residential use shall not be construed in such a manner as to prohibit an Owner, or anyone in possession of the Townhouse Unit by, through or under the Owner, from: (i) maintaining a personal professional library; (ii) keeping personal business or professional records or accounts; (iii) handling personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restriction.

Except as provided under Section 2.05 and other portions of this Declaration, no industry, business, trade, occupation or profession shall be conducted on any part of the Premises and no "For Sale" or "For Rent" signs or any window display advertising shall be permitted on any part thereof.

Section 3.06: Obstructions

Except as permitted under Section 2.06, there shall be no obstruction of the Common Area, and nothing shall be stored in the Common Area without the prior written consent of the Board.

Section 3.07: Proscribed Activities

No nuisance or noxious or offensive activity shall be carried on the Premises nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or occupants of the Townhouse Units. No animals, livestock or poultry shall be raised, bred or kept on the Premises, except that dogs, cats or other household pets may be kept in Townhouse Units, subject to rules and regulations adopted by the Board, provided they are not kept, bred or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Premises upon three (3) days' written notice from the Board.

Section 3.08: No Unsightly Uses

No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Premises. No outdoor T.V. or radio antennas shall be allowed. Garbage cans and wood piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring Townhouse Units and streets. Campers, trucks, motor homes, snowmobiles, inoperable vehicles, boats or buses shall not be parked anywhere on the Premises except in garages. This restriction shall not apply to service vehicles servicing the residents of the Premises and the Declarant. The Common Area shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed therein.

Section 3.09: Architectural Controls

- (a) The purpose of architectural control is to secure and maintain attractive, harmonious residential Townhouse Buildings and Townhouse Units which will have continuing appeal. No construction, reconstruction, alteration or addition of a building, fence, wall, patio or other structure shall be commenced, erected or maintained, except interior alterations, nor shall any exterior color changes be made, until the construction plans and specifications, showing the nature, kind, shape, height and materials, color scheme, location and approximate cost of such building, improvements, or

other structure shall have been submitted to and approved in writing by the Board. The Board may refuse to approve any such construction plans or specifications, or color changes, which are not suitable or desirable, in the sole opinion of the Board for aesthetic or other reasons; and in so passing upon construction plans and specifications or color changes, the Board shall have the right to take into consideration the compatibility of the proposed building or other structure with the surroundings, and the effect of the building, other structure, or color change on the outlook from adjacent or neighboring properties. All such changes shall also be approved pursuant to Article IV of the General Declaration of Covenants and Restrictions of The Galena Territory Architectural Committee.

- (b) All plans, specifications and other materials shall be filed in the office of the Townhouse Association. A report in writing setting forth the decisions of the Board and the reasons therefor shall thereafter be transmitted to the applicant by the Townhouse Association thirty (30) days after the date of filing the plans, specifications and other material by an applicant.
- (c) This Section 3.09 shall not apply to the Declarant, and the Declarant shall not be bound by any of the terms and conditions as set forth in Section 3.09(a) and (b).

In the event (1) the Board fails to approve or disapprove within thirty (30) days after submission of the final plans, specifications and other material, as required in this Declaration, and (2) no suit to enjoin construction has been filed within forty-five (45) days after commencement of such construction, approval shall not be required, and the related requirements of this Declaration shall be deemed to be complied with.

Section 3.10: Nameplates

There shall not be more than one nameplate on each Townhouse Unit. A nameplate shall conform in size, color, content and location as provided by the Board.

Section 3.11: Rules and Regulations

The use and enjoyment of the Common Area shall be subject to reasonable rules and regulations duly adopted by the Board pursuant to the power granted in this Declaration and the By-Laws.

ARTICLE IV

THE TOWNHOUSE ASSOCIATION

Section 4.01: The Association

Declarant has caused the Townhouse Association to be incorporated as a Not-for-Profit corporation. The Townhouse Association, through the Board, shall be the governing body for all of the Owners for the administration and operation of the Common Area and for the maintenance and architectural control of the exterior of the Townhouse Units.

Section 4.02: Powers

In addition to all powers as from time to time provided by law, the Townhouse Association shall have the following powers:

- (a) To own and lease such real estate as may be reasonably necessary in order to carry out the provisions of this Declaration and the purposes and powers of the Townhouse Association and to be taxed on such real estate as may be owned by it;
- (b) To procure liability, fire and extended coverage insurance covering the claims from loss of or damage to a Townhouse Unit, Common Area or Townhouse Unit Exterior for and on behalf of its Owner, as necessary;
- (c) To exercise the architectural controls vested in the Townhouse Association under Article III, Section 3.08 of this Declaration;
- (d) To engage the services of a manager or managing agent approved by the Board, who shall manage and operate the affairs of the Townhouse Association for all of the Owners upon such terms and with such authority as the Board may approve;
- (e) To formulate policies for the administration, management and operation of the Townhouse Association;
- (f) To adopt rules and regulations, with written notice thereof to all Owners, governing the administration, management, maintenance, operation, use, conservation and beautification of the Common Area, Townhouse Buildings and Townhouse Units and for the health, comfort, safety and general welfare of the Owners, and to amend such rules and regulations from time

to time;

- (g) To provide for any construction, alteration, installation, maintenance, repair, painting and replacement for which the Townhouse Association is responsible under this Declaration and the By-Laws and for such purposes to enter and to authorize entry upon any Townhouse Unit, following reasonable notice to the Owner when feasible, causing as little inconvenience to the Owners as practicable and repairing any damage caused by such entry at the expense of the Townhouse Association;
- (h) To provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Townhouse Association and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent);
- (i) To have access to each Townhouse Unit from time to time as may be necessary for making emergency repairs therein to prevent damage to the Common Area, Townhouse Unit Exterior, and other Townhouse Units;
- (j) The Board or its agents, upon reasonable notice, may enter any Townhouse Unit when necessary in connection with any maintenance or construction for which the Townhouse Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practical;
- (k) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses as hereinafter provided;
- (l) To pay out of the assessments hereinafter provided for, the following:
 - (i) Water, waste removal, electricity and telephone and other necessary utility services for the Townhouse Association and (if not separately metered or charged) for the Townhouse Units.
 - (ii) The services of a manager or managing agent or any other person or firm employed by the Board.
 - (iii) The construction, maintenance, repair and replacement of property for which the Townhouse Association is responsible.

- (iv) Such other costs and expenses as are specifically authorized or approved by the Board or the Members.
- (m) To delegate the exercise of its powers to committees appointed in accordance with its By-Laws.

Section 4.03: Membership

- (a) Subject to the further provisions of this Section, each Owner shall be a member of the Townhouse Association. There shall be one membership per Townhouse Unit. If the record ownership of a Townhouse Unit shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the individual who shall enjoy the membership attributable thereto shall be designated by such Owner or Owners in writing to the Board at the time such Owner or Owners become record Owners of the Townhouse Unit. Membership shall be appurtenant to and may not be separated from ownership of a Townhouse Unit. Ownership of a Townhouse Unit shall be the sole qualification for membership.
- (b) Additionally, pursuant to the Merger Agreement, the owners of townhouse units subject to the Hickory Run Declaration shall also be members of the Townhouse Association, as further provided in the Hickory Run Declaration.

Section 4.04: Board of Directors

The Board shall be elected by the Members as provided in the By-Laws of the Townhouse Association, subject to Section 4.05. The Board shall direct and administer the Townhouse Association affairs in accordance with the terms and provisions of this Declaration, and when not inconsistent therewith, the Articles of Incorporation and the By-Laws. All matters requiring action by the Board shall be decided by majority vote. The Board shall consist of three (3) members, or as amended from time to time pursuant to the By-Laws.

Section 4.05: Declarant's Rights

Turnover of the Townhouse Association by Declarant has already occurred, and all meetings of the Townhouse Association shall be governed by the other appropriate provisions of this Declaration and the By-Laws.

Section 4.06: Board Liability

The directors from time to time constituting the Board shall not be liable to the Members for any mistake of judgment or for acts or omissions made or omitted in good faith as such directors.

Section 4.07: Governing Laws

In all other respects, the Townhouse Association, its directors, officers and Members shall be governed by the laws of the State of Illinois.

Section 4.08: Voting Rights

Whenever a vote of the Members of the Townhouse Association is required, at any meeting of such Members or otherwise, such votes shall be cast by the Members and each Member shall have one (1) vote for each Townhouse Unit owned.

ARTICLE V

INSURANCE

Section 5.01: Common Area Insurance

- (a) The Board shall have the authority to and shall obtain insurance covering the Common Area against loss or damage by fire and such other hazards in such amounts as the Board may deem desirable. Premiums for such insurance shall be Common Expenses.
- (b) The Board shall also have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workmen's compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, the Townhouse Association, its directors and officers, the Declarant, the managing agent, if any, and their respective employees and agents, from liability in connection with the Common Area and Townhouse Unit Exteriors and insuring the directors and officers of the Townhouse Association from liability for good faith actions beyond the scope of their respective authorities. Such insurance coverage shall include cross liability claims of one or more insured parties. The premiums for such insurance shall be Common Expenses.

- (c) The Townhouse Association and each Owner hereby waive and release any and all claims which they may have against any Owner, the Townhouse Association, its directors and officers, the Declarant, the managing agent, if any, and their respective employees and agents, for damage to the Common Area or to any personal property located in the Common Area, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance, and to the extent this release is allowed by policies for such fire or other casualty insurance. To the extent possible, all policies secured by the Board under this Section shall contain waivers of the insurer's rights to subrogation with respect to the Owners and members of their Families, directors and officers of the Townhouse Association, the managing agent, the Declarant, and their respective employees and agents.

Section 5.02: Townhouse Unit Insurance

- (a) Each Owner shall be responsible for procuring fire and all risk coverage insurance upon its Townhouse Unit from a nationally recognized insurance carrier for not less than the full insurable replacement value thereof under a policy or policies of insurance which said carrier, in such form, and for such premiums and periods as each Owner may determine to be appropriate. The Townhouse Association shall be named as an insured where its interests appear. Each Owner shall also be responsible for its own insurance on the contents of its Townhouse Unit and furnishings and personal property therein, and its personal property stored elsewhere on the Premises.
- (b) Any policy obtained in accordance with the provisions of this Article V shall provide that it may not be cancelled except upon thirty (30) days' written notice to the Townhouse Association. Each Owner's policy shall name the Townhouse Association as an additional interest.
- (c) Each Owner shall deliver to the Townhouse Association a certificate of insurance certifying that a policy of insurance covering such Owner's Townhouse Unit, as required under this Section, is in effect. In the event an Owner fails to procure or keep in effect a policy of insurance, as required under this Section, after written demand for the same is made upon such Owner by the Board, then the Board may on behalf of and as agent for such Owner procure such insurance on the Owner's Townhouse Unit with a nationally recognized insurance carrier and the premium for such insurance shall be charged to such Owner as a special assessment and shall be a lien on such Owner's Townhouse Unit.

- (d) No Owner shall cause or permit anything to be done or kept in the Owner's Townhouse Unit or upon the Premises which will result in the cancellation of insurance on such Owner's Townhouse Unit, on any other Townhouse Unit or on the Common Area.
- (e) Notwithstanding any provisions of this Section to the contrary, neither the Townhouse Association nor its Board, officers, employees or agents shall be liable to any Owner nor to any party claiming by, through or under an Owner or by reason of any interest in title to an Owner's Townhouse Unit for any act or omission to act under this Section by the Townhouse Association, its Board, officers, employees or agents.

Section 5.03: Fidelity Insurance

- (a) The Townhouse Association shall obtain and maintain fidelity insurance covering all persons who control or disburse funds of the Townhouse Association for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody or control of the Townhouse Association. The costs of such insurance shall be a Common Expense.
- (b) All management companies, if any, that are responsible for the funds held or administered by the Townhouse Association shall maintain and furnish to the Townhouse Association a fidelity bond for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody of the management company at any time.

Section 5.04: Rebuilding of Damaged Townhouse Unit

- (a) In the event of damage to or destruction of any Townhouse Unit by fire or other casualty, the Owner thereof shall within a reasonable time after such damage or destruction, repair or rebuild the same in substantial and workmanlike manner with materials comparable to those used in the original structure, and in conformity in all respects to the laws and ordinances regulating the constructing of buildings in force at the time of such repair or reconstruction. The Townhouse Unit Exterior, when rebuilt, shall be to the extent possible substantially similar to and of architectural design and landscaping in conformity with the surrounding Townhouse Units which are not so damaged or destroyed.

- (b) In the event that any Owner shall fail, within a reasonable time after the occurrence of damage or destruction referred to in Subsection (a) to perform the necessary repair or rebuilding, then the Board may cause such repairs or rebuilding to be furnished, provided and installed, in the manner as provided in Subsection (a) and the cost thereof shall be charged to such Owner and shall be a lien on such Owner's Townhouse Unit.

ARTICLE VI

ASSESSMENTS

Section 6.01: Creation of Lien and Personal Obligation

- (a) Each Owner of any Townhouse Unit by acceptance of a deed or conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and hereby agrees to pay to the Townhouse Association such assessments or other charges or payments as are levied pursuant to the provisions of this Declaration. Such assessments, or other charges or payments, together with interest thereon and costs of collection, if any, as herein provided, shall be a charge on the Townhouse Unit and a continuing lien upon the Townhouse Unit against which each such assessment is made. Each such assessment, or other charge or payment, together with such interest and costs, shall also be the personal obligation of the Owner of such Townhouse Unit and all persons, jointly and severally who have any beneficial interest in such Townhouse Unit at the time when the assessment is due.
- (b) Upon a voluntary conveyance, the grantee of a Townhouse Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor as provided in this Article up to the time of the conveyance, without prejudice to the grantee's rights to recover from the grantor the amount paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Townhouse Association setting forth the amount of such unpaid assessments and any such grantee shall not be liable for, nor shall the Townhouse Unit conveyed be subject to a lien for, any unpaid assessment against the grantor pursuant to this Article in excess of the amount therein set forth.
- (c) The lien created by Section 6.01(a) on the property shall be a continuing lien and shall automatically attach to the respective Townhouse Unit without need or requirement for a specific notice or filing of lien to be made by the

Townhouse Association; and, except for the provisions set forth in Section 6.09, the lien created hereby shall be superior to all other liens and encumbrances.

Section 6.02: Purpose of Assessments

The assessments levied by the Townhouse Association shall be used exclusively to promote the recreation, health, safety, and welfare of Members of the Townhouse Association, to administer the affairs of the Townhouse Association, and to pay the Common Expenses.

Section 6.03: Annual Assessment

Each year on or before December 1, the Board shall adopt and furnish each Owner with a budget for the ensuing calendar year which shall show the following:

- (a) The estimated Common Expenses including without limitation, the estimated cost of management fees, wages, materials, supplies, insurance, taxes, and services (the "Cash Requirement");
- (b) The estimated amount, if any, to maintain adequate reserves for Common Expenses (the "Reserve Requirement");
- (c) The amount of the annual assessment ("Annual Assessment") which is hereby defined as the Cash Requirement, plus the Reserve Requirement, minus any unspent cash from the prior year; and
- (d) That portion of the Annual Assessment which is attributable to such Owner, which is determined by dividing the Annual Assessment by the number of Townhouse Units for which transactions have been closed by December 31 of the previous year. On or before the 10th day of January of the ensuing year, and on or before the 10th day of each and every month thereafter until the effective date of the next Annual Assessment, each Owner shall pay to the Board, or as it may direct, one-twelfth (1/12) of that portion of the Annual Assessment which is attributable to such Townhouse Unit Owner. Each Townhouse Unit began being assessed and each Owner began paying its Assessment upon the delivery of the deed of conveyance by the Declarant to the first Owner. The amount to be paid monthly shall be one-twelfth of the Annual Assessment attributable to each other Townhouse Unit until the next Annual

Assessment is determined.

Each Owner shall receive a copy of the proposed annual budget together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes, at least thirty (30) days, but not more than sixty (60) days, prior to the adoption of said budget by the Board.

Section 6.04: Basis and Limitation of Annual Assessments

The Townhouse Association shall pay the costs and expenses of operating the Townhouse Association.

Section 6.05: Property Owners' Association Assessments

Pursuant to the Galena Territory Declaration Members of the Townhouse Association are subject to assessment by the Property Owners' Association. Such assessments made upon members of the Property Owners' Association shall be paid by each member individually and shall not be a Common Expense as used herein.

Section 6.06: Special Assessment

Extraordinary expenditures not originally included in the annual budget which may become necessary during the year, shall be charged first against the reserve. If the Annual Assessment and the reserve prove inadequate for any reason, including nonpayment of any Owner's assessment, the Board may at any time or from time to time levy a special assessment on the Owners. The Board shall serve written notice of such special assessment on all Owners giving the amount and reasons therefor.

Section 6.07: Additional Assessment Provisions

- (a) If an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred and fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, then the Townhouse Association, upon written petition signed by Members with at least twenty percent (20%) of the total votes in the Townhouse Association delivered to the Board within fourteen (14) days of the Board action, shall call a meeting of the Members to be held within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment. Unless a majority

of the total votes of the Members are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.

- (b) Provided, however, that separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Member approval or the provisions of Subsection (a) or (c) of this Section. As used in this Section, "emergency" means a danger to or a compromise of the structural integrity of the Common Area or any of the common facilities of the Townhouse Association or a danger to the life, health or safety of the Membership.
- (c) Provided further, however, that any assessments for additions and alterations to the Common Area or other Townhouse Association owned property that are not included in the adopted annual budget shall be separately assessed and are subject to the approval of a majority of the total Members at a meeting called for that purpose.

Section 6.08: Uniform Assessment

The Annual Assessment shall be fixed and levied equally among all Townhouse Units, share and share alike. Assessments, annual and special, shall be due and payable at such time or times as shall be fixed by the Board from time to time subject to the provisions of this Declaration and of the By-Laws.

Section 6.09: Nonpayment of Assessments

If an assessment or other charge or payment is not paid within thirty (30) days after the due date, there shall be assessed an administrative service fee in the amount of \$15.00 which may be adjusted from time to time by the Board, and in addition, the assessment, shall bear interest from the due date at the rate of nine percent (9%) per annum, and the Board may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Owner's Townhouse Unit or both, for any such assessments and fees including interest, costs and reasonable attorney's fees of any such action, which shall be added to the amount of such assessment or other charge or payment and included in any judgment rendered in such action. If the Board has provided for collection of assessments in installments, upon default in the payment of any one or more installments, the Townhouse Association may accelerate payment and declare the entire balance of said assessment due and payable in full. No Owner may waive or otherwise escape liability for the assessments or other charges or payment provided for herein by nonuse of the Common Area or by abandonment of its Townhouse Unit. Any Owner who is more than thirty (30) days in arrears at

the time of any meeting of the Townhouse Association, will not be permitted to vote at such meeting.

Section 6.10: Association's Lien Subordinated to Mortgages

The lien provided for herein shall be subordinate to the lien of any first mortgage at any time placed upon any Townhouse Unit. Such lien shall not be affected by any sale or transfer of a Townhouse Unit except that a sale or transfer pursuant to a decree of foreclosure or in lieu of foreclosure shall extinguish the lien as to assessments which became payable prior to such sale or transfer. The extinguishment of the lien pursuant to this Section 6.10 shall not extinguish nor relieve any personal liability created by any provision of this Declaration. No sale or transfer shall relieve the purchaser or transferee of a Townhouse Unit from liability for, nor the Townhouse Unit so sold or transferred, from the lien of any assessment thereafter coming due.

ARTICLE VII

PARTY WALL

Section 7.01: Party Wall

Every wall, including the foundations therefor, which is built as a part of the original construction of a building and placed on the boundary line between separate Townhouse Units in a building, shall constitute a "Party Wall", and to the extent not inconsistent herewith, the general rules of law regarding party walls, shall apply thereto.

Section 7.02: Rights in Party Wall

Each Owner of a Townhouse Unit which is adjacent to a Party Wall shall have the right to use the Party Wall for support of the structure originally constructed thereon and all replacements thereof and shall have the duty to keep, maintain and repair and replace therein all pipes, conduit, and ducts originally located therein and all replacements thereof.

Section 7.03: Damage to Party Wall

If any Party Wall is damaged or destroyed through the act of any Owner or its agents, servants, tenants, guests, invitees, licensees, or members of its Family, whether such act is willful, negligent or accidental, such Owner shall forthwith diligently proceed to rebuild or repair the same to as good a condition as it existed

prior to such damage or destruction without costs therefor to the Owner of the other adjoining Townhouse Unit. Any Party Wall damaged or destroyed by some act or event other than one caused by the adjacent Owner, its agents, servants, guests, invitees, licensees, or Family, shall be diligently rebuilt or repaired by both Owners of adjoining Townhouse Units to as good a condition as it existed prior to such damage or destruction at the joint and equal expense of such Owners.

Section 7.04: Change in Party Wall

Any Owner who proposes to extend, alter or modify any Party Wall shall first obtain the written consent of the Owner of the other adjacent Townhouse Unit, in addition to meeting any other requirements which may apply.

Section 7.05: Arbitration

In the event of a disagreement between Owners of Townhouse Units adjoining a Party Wall with respect to their rights or obligations as to such Party Wall, upon the written request of either of said Owners to the other the matter shall be submitted to the Board and the decision of the Board shall be final and binding.

ARTICLE VIII

ANNEXATION OF ADDITIONAL PROPERTY TO THE PREMISES

Section 8.01: Additions to the Premises

Declarant, its successors and assigns, shall have the right, but not any obligation, to bring within this Declaration, from time to time, portions of the Possible Additional Development Area.

Section 8.02: Supplementary Declarations

The additions authorized under this Article shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the covenants and restrictions of this Declaration to such property. Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with this Declaration.

ARTICLE IX

MISCELLANEOUS

Section 9.01: Owners' Easement of Enjoyment

Subject to the provisions herein, every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Townhouse Unit.

Section 9.02: Duration

- (a) The covenants and restrictions of this Declaration shall be appurtenant to and shall run with and bind the land for a period of forty (40) years from the date of Recording of this Declaration and for successive periods of ten (10) years each unless revoked, changed or amended in whole or in part by a Recorded instrument executed by not less than 75% of the then Owners.
- (b) All easements described in this Declaration are easements appurtenant, running with the land. They shall at all times inure to the benefit of and be binding on the Owners, the mortgagees from time to time of any Townhouse Unit or the Common Area, and their respective heirs, successors, personal representatives or assigns, perpetually in full force and effect.

Section 9.03: Severability

Invalidation of all or any portion of any of the covenants and restrictions by legislation, judgment or court order shall in no way affect any other provisions of this Declaration which shall remain in full force and effect.

Section 9.04: Amendment

The provisions of this Declaration may be abolished, amended, modified, enlarged or otherwise changed in whole or in part and any part or all of the Premises or the Common Area may be removed from the provisions of this Declaration by by an instrument executed by not less than 75% of the then Owners; except that the provisions relating to the rights of Declarant may be amended only upon the written consent of Declarant, and the provisions of Sections 3.05 and 6.05 and this Section 9.04 may be amended only by an instrument executed by all of the Owners. No amendment shall become effective until properly recorded.

Section 9.05: Enforcement

Enforcement of the provisions contained in this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provisions, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Board, any mortgagee or any Owner to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter.

Section 9.06: Mergers

- (a) Upon a merger or consolidation of another association with the Townhouse Association, its properties, rights and obligations may, as provided in its Articles of Incorporation, by operation of law be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may by operation of law be added to the properties, rights and obligations of the Townhouse Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration with the Premises together with the covenants and restrictions established upon any properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants and restrictions established by this Declaration within the Premises except as hereinafter provided.
- (b) As set forth in more detail in the Merger Agreement, the Declarant exercised its right to merge the former Northridge Townhouse Association with the Townhouse Association, so that only the Townhouse Association survived as the governing association for both the Premises subject to this Declaration and that real property subject to the Hickory Run Declaration.

Section 9.07: Notices

Unless otherwise provided by law, any notice required to be sent to any Owner under the provisions of this Declaration or the By-Laws shall be deemed to have been properly sent if delivered by one of the following methods:

- i) Mailed to the Owner's last known address as provided by such Owner to the Board, or if no such address has been provided then mailed to such Owner's Townhouse Unit;
- ii) Personally delivered to such Owner;
- iii) Posted in a Townhouse Association publication that is routinely

- mailed to all Owners; or
- iv) Transmitted to an Owner via electronic transmission; provided, however, that prior to the sending of such a notice via electronic transmission, an Owner must consent, in writing, to receive notices via electronic transmission. For purposes of this paragraph, the term "electronic transmission" shall have the same meaning as provided for that term in the Act.

Section 9.08: Captions

The Article and Section headings are intended for convenience only and shall not be construed with any substantive effect in this Declaration.

Section 9.09: Declarant's Easement to Correct Drainage

For so long as the Declarant owns or has an interest to any portion of the land described in Exhibits A and B, the Declarant reserves a blanket easement and right on, over and under the Premises to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as nearly as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice.

END OF TEXT OF DECLARATION

This instrument was prepared by:

KEAY & COSTELLO, P.C.
128 South County Farm Road
Wheaton, Illinois 60187

STATE OF ILLINOIS)
) SS
COUNTY OF JO DAVIESS)

We, the undersigned, hereby certify that we are the duly elected, qualified and acting President and Secretary of the Board of Directors of Hickory Run Townhouse Association, Inc., and that the attached is a true, correct, and accurate copy of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Northridge Townhouse and the Amended and Restated By-Laws of Hickory Run Townhouse Association, Inc., attached hereto as Exhibit "C", and that said documents were approved by at least two-thirds (2/3) of the directors on the Board of Directors of Hickory Run Townhouse Association, Inc. at a Board meeting.

EXECUTED this 2 day of JULY, 2016.

GEORGE W. LINGEN JR
Printed Name

George W. Lingen Jr
Signature, as President of the Board of Directors of Hickory Run Townhouse Association, Inc.

RICHARD J. ORNA
Printed Name

Richard J. Orna
Signature, as Secretary of the Board of Directors of Hickory Run Townhouse Association, Inc.

I, SUSAN R. MILLER, a Notary Public, hereby certify that on the above date, the above members of the Board of Directors of Hickory Run Townhouse Association, Inc., which Board members are personally known to me, appeared before me and acknowledged that, as such Board members, he/she signed this instrument as his/her free and voluntary act of said Board for the uses and purposes therein set forth.

Susan R Miller
July 2, 2016



EXHIBIT "A"

LEGAL DESCRIPTION OF PREMISES

Added by the Original Declaration:

"BRANIGAR'S PLAT OF EAGLE RIDGE UNIT "T" OF THE GALENA TERRITORY", A SUBDIVISION LOCATED IN THE NW 1/4 AND SW 1/4 OF SECTION 30, T28N, R2E OF THE FOURTH PRINCIPAL MERIDIAN, GUILFORD TOWNSHIP, JO DAVIESS COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 12, 1990, AS DOCUMENT NO. 202950 IN PLAN HOLD C OF PLATS, NO. 33, WHICH IS BOUNDED BY A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERLY MOST CORNER OF LOT 3 IN "BRANIGAR'S PLAT OF SHENANDOAH UNIT 20 OF THE GALENA TERRITORY", WHICH LIES S35°48'22"E 3201.79' FROM THE NORTHWEST CORNER OF SAID SECTION 30; THENCE N42°00'00"W 380.02' ALONG THE NORTHEASTERLY LINE OF SAID PLAT OF SHENANDOAH UNIT 20 TO AN ANGLE POINT; THENCE N51°00'00"W 885.00' ALONG THE NORTHEASTERLY LINE OF SAID PLAT OF SHENANDOAH UNIT 20 TO A POINT ON THE NORTHEAST LINE OF LOT 11 IN SAID PLAT; THENCE N42°00'00"E 271.21'; THENCE N42°00'00"W 626.45' TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE NORTHEAST, RADIUS 383.00', THE CHORD OF WHICH BEARS N29°15'00"W 169.05' TO A POINT OF TANGENT; THENCE N16°30'00"W 12.93' TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF EAGLE RIDGE DRIVE; THENCE ALONG THE ARC OF A CURVE CONCAVE NORTH IN THE SOUTHERLY RIGHT-OF-WAY OF EAGLE RIDGE DRIVE, RADIUS 483.00', THE CHORD OF WHICH BEARS N73°30'00"E 66.00'; THENCE S16°30'00"E 12.93' TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE NORTHEAST, RADIUS 317.00', THE CHORD OF WHICH BEARS S29°15'00"E 139.92' TO A POINT OF TANGENT; THENCE S42°00'00"E 783.72' TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE NORTHEAST, RADIUS 1876.86', THE CHORD OF WHICH BEARS S51°00'00"E 587.21' TO A POINT OF TANGENT; THENCE S60°00'00"E 200.00' TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTHWEST, RADIUS 1178.92', THE CHORD OF WHICH BEARS S54°00'00"E 246.46' TO A POINT OF TANGENT AT THE NORTHERLY CORNER OF THE INTERSECTION OF TERRITORY DRIVE AND VALLEYWOOD LANE; THENCE S42°00'00"W 66.00' TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF TERRITORY DRIVE; THENCE S48°00'00"E 83.35' ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF TERRITORY DRIVE; THENCE S44°00'00"W 346.10' TO THE POINT OF BEGINNING.

EXHIBIT "B"

POSSIBLE ADDITIONAL DEVELOPMENT AREA

Lands to which The Branigar Organization, Inc. is in title in the following described areas:

Section 19, Guilford Township, Jo Daviess County, Illinois.

Section 30, Guilford Township, Jo Daviess County, Illinois.

Section 31, Guilford Township, Jo Daviess County, Illinois.

The South 1/2 of Section 24, East Galena Township, Jo Daviess County, Illinois.

The East 1/2 of Section 25, East Galena Township, Jo Daviess County, Illinois.

The East 1/2 of the Northeast 1/4 of Section 36, East Galena Township, Jo Daviess County, Illinois.

EXHIBIT "C"

AMENDED AND RESTATED BY-LAWS OF
HICKORY RUN TOWNHOUSE ASSOCIATION, INC.

ARTICLE I

NAME OF CORPORATION

The name of this corporation is HICKORY RUN TOWNHOUSE ASSOCIATION, INC.

ARTICLE II

PURPOSE AND POWERS

Section 2.01: PURPOSES

The purposes of this Townhouse Association are to act on behalf of its members collectively, as their governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare and the common use and enjoyment thereof by members of the Townhouse Association, all on a not-for-profit basis. These By-Laws are attached as Exhibit "C" to, and subject to the provisions of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hickory Run Townhouse and the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Northridge Townhouse (hereinafter collectively referred to as "Declarations"). All terms used herein shall have the meanings set forth in the Declarations.

Section 2.02: POWERS

The Townhouse Association shall have and exercise all powers as are now or may hereafter be granted by the Act, General Not-For-Profit Corporation Act of the State of Illinois, the Declarations and these By-Laws.

ARTICLE III

OFFICES

Section 3.01: REGISTERED OFFICE

The Townhouse Association shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered

office, and may have other offices within or without the State of Illinois as the Board may from time to time determine.

Section 3.02: PRINCIPAL OFFICE

The Townhouse Association's principal office shall be maintained at the office of the managing agent engaged by the Townhouse Association.

ARTICLE IV

MEETINGS OF MEMBERS

Section 4.01: VOTING RIGHTS

Any or all members may be present at any meeting of the members, but the voting rights shall be vested exclusively in the Voting Members. If the Ownership of a Townhouse Unit shall be in more than one (1) person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Townhouse Unit shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Townhouse Unit as the Voting Member for such Townhouse Unit. Each Voting Member shall be entitled to one vote for each Townhouse Unit in the Townhouse Association which he or she represents. The Voting Members may vote in person or by proxy. All proxies shall be in writing, revocable, valid only for eleven (11) months from the date of execution and filed with the secretary.

Section 4.02: PLACE OF MEETING; QUORUM

Meetings of the members shall be held at the principal office of this Townhouse Association or at such other place in Jo Daviess County as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order as from time to time published. Voting Members representing at least 10% of the total votes shall constitute a quorum. Unless otherwise expressly provided herein or in the Declarations, any action may be taken at any meeting of the Owners at which a quorum is present upon the affirmative vote of a majority of the votes represented at such meeting.

Section 4.03: ANNUAL MEETINGS

There shall be an annual meeting of the Owners on the second Saturday of March of each succeeding year, or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board of Directors delivered to the Owners not less than ten (10), and not more than thirty (30), days prior to the date fixed for said meeting.

Section 4.04: SPECIAL MEETINGS

Special meetings of the members may be called at any time for the purpose of considering matters which, by the terms of the Declarations, require the approval of all or some of the Owners or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by the President, a majority of the Board of Directors, or by Voting Members representing twenty percent (20%) of the total votes, and delivered not less than ten (10), and not more than thirty (30), 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.

Section 4.05: NOTICE OF MEETINGS:

Unless otherwise provided by law, notices of meetings required to be given herein may be delivered to the members by one of the following methods:

- i) Mailed to the Owner's last known address as provided by such Owner to the Board, or if no such address has been provided then mailed to such Owner's Townhouse Unit;
- ii) Personally delivered to such Owner;
- iii) Posted in a Townhouse Association publication that is routinely mailed to all Owners; or
- iv) Transmitted to an Owner via electronic transmission; provided, however, that prior to the sending of such a notice via electronic transmission, an Owner must consent, in writing, to receive notices via electronic transmission. For purposes of this paragraph, the term "electronic transmission" shall have the same meaning as provided for that term in the Act.

A notice of meeting shall include an agenda of business and matters to be acted upon or considered at the meeting.

Section 4.06: VOTING BY MAIL OR ELECTRONICALLY

Where there is an act requiring the vote of the Voting Members, such election or vote on such proposed action may be conducted by mail via a Townhouse Association-issued ballot in such manner as the Board shall determine and/or may be conducted by any electronic or acceptable technological means as further provided in the Act.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01: IN GENERAL

The affairs of the Townhouse Association and the direction and administration of the

property shall be vested in the Board, which shall consist of three (3) persons ("Directors"). Each Director shall be an Owner or a Voting Member.

Section 5.02: BOARDS AFTER TURNOVER DATE

Each member of the Board shall be an Owner or a Voting Member, or both. In the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as Director.

Section 5.03: ELECTION

- (a) Each Director shall hold office until his or her term expires or until his or her successor shall have been elected or qualified. Directors may succeed themselves in office. In all elections for members of the Board, each Voting Member shall be entitled to the number of votes equal to the number of Directors to be elected multiplied by the number of Townhouse Units in the Townhouse Association which the Voting Member represents and cumulative voting shall be permitted. The candidate or candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.
- (b) Provided, however, that upon the adoption of appropriate rules by the Board, the Townhouse Association may conduct elections by electronic or acceptable technological means, as further provided in the Act. If the Board elects to conduct elections via one of these methods and adopts appropriate rules therefor, then instructions regarding the use of electronic means or acceptable technological means for voting shall be distributed to all Members not less than ten (10) and not more than thirty (30) days before the election meeting. The instruction notice shall include the names of all candidates who have given the Board or its authorized agent timely written notice of their candidacy and shall give the person voting through electronic or acceptable technological means the opportunity to cast votes for candidates whose names do not appear on the ballot. The Board rules shall provide and the instructions provided to the Members shall state that a Member who submits a vote using electronic or acceptable technological means may request and cast a ballot in person at the election meeting, and thereby void any vote previously submitted by that Member. In the event the Board adopts the necessary rules to conduct elections by electronic or acceptable technological means, then Voting Members may not vote by proxy in Board elections.

Section 5.04: ANNUAL MEETINGS

The Board shall hold an annual meeting within ten (10) days after the annual meeting of the members at such place as shall be fixed by the Directors at the annual

meeting of the Owners, and no notice shall be necessary to the Director in order legally to constitute such meeting, providing a majority of the Board is present.

Section 5.05: REGULAR MEETINGS

Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting or, from time to time, by a majority of the Directors, provided that not less than four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, at least two (2) days prior to the day named for any such meeting and such notice shall state the time and place of such regular meeting and such notice shall be posted conspicuously on the Premises so as to inform the Owners of such meetings.

Section 5.06: SPECIAL MEETINGS

Special meeting of the Board may be called by the President or at least twenty-five percent (25%) of the Directors then serving.

Section 5.07: OPEN MEETINGS

All meetings of the Board shall be open to any Owner, subject to the authority of the Board, except for any portion of the meeting held:

- (a) To discuss litigation when an action against or on behalf of the Townhouse Association has been filed and is pending in a court or administrative tribunal, or when the Townhouse Association finds that such an action is probable or imminent;
- (b) To consider third party contracts or information regarding appointment, employment or dismissal of an employee; or
- (c) To discuss violations of rules and regulations of the Townhouse Association or an Owner's unpaid share of Common Expenses owed to the Townhouse Association.

However, any vote on the above matters shall be taken at a meeting or portion thereof open to any Owner.

Section 5.08: MEETINGS NOTICE

- (a) At least forty-eight (48) hours prior to a meeting of the Board, copies of notices of meetings of the Board shall be provided to each Owner in the manner provided in Article IV, Section 4.05 of these By-Laws or shall be posted in entranceways or other conspicuous places on the Premises. However, if there is no common entranceway for seven (7) or more Townhouse Units, then the Board may designate one (1) or more

locations in the proximity of the Townhouse Units where the notices of meetings shall be posted.

- (b) Provided, however, that each Owner shall receive written notice in the manner provided in Article IV, Section 4.05 of these By-Laws of any meeting of the Board concerning the adoption of the proposed annual budget, regular assessments, or a separate or special assessment not less than ten (10), and not more than sixty (60), days prior to such Board meeting.

Section 5.09: WAIVER OF NOTICE

Before or at any meeting of the Board any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 5.10: QUORUM

A majority of the Directors sitting from time to time shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board, provided, that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Except as otherwise expressly provided herein or in the Declarations, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

Section 5.11: COMPENSATION/REIMBURSEMENT FOR EXPENSES

Directors shall receive no compensation, except as expressly provided in a resolution duly adopted by the affirmative vote of 75% of the total votes. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Townhouse Association for reasonable out-of-pocket expenses incurred in the course of the performance of his or her duties as a Director.

Section 5.12: REMOVAL OR RESIGNATION OF DIRECTOR

Any Director may be removed from office, with or without cause, by the affirmative vote of Voting Members having at least two-thirds (2/3) of the total votes in the Townhouse Association. Any Director may resign at any time by submitting his or her written resignation to the Board.

Section 5.13: VACANCIES IN BOARD

Vacancies in the Board may be filled by the affirmative vote of two-thirds (2/3) of the remaining Directors on the Board. A Director appointed to fill a vacancy shall serve until the next annual meeting of Owners or until Owners holding at least twenty percent (20%) of the total votes in the Townhouse Association request, via a petition delivered to the Board, a meeting of the Owners to fill the vacancy for the balance of the term. If such a petition is presented to the Board, the Board shall call a meeting of the Owners within thirty (30) days of receiving such petition for purposes of electing a new Director to the Board to fill the vacancy for the balance of the term.

Section 5.14: POWERS AND DUTIES OF THE BOARD

The Board shall have all of the powers and duties granted to it or imposed upon it by the Declarations, these By-Laws, the Act and the Illinois General Not-For-Profit Corporation Act, including, without limitation, the following powers and duties:

- (a) To engage the services of a manager or managing agent, who shall manage and operate the Common Area and Townhouse Unit Exteriors upon such terms and with such authority as the Board may approve;
- (b) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Townhouse Association;
- (c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Area and Townhouse Unit Exteriors for which the Townhouse Association is responsible under the Declarations and these By-Laws;
- (d) To procure fire and extended coverage insurance and other insurance as provided for under the Declarations;
- (e) To estimate and provide each Owner with an annual budget showing the Common Expenses;
- (f) To set, give notice of, and collect assessments from the Owners as provided in the Declarations;
- (g) To pay the Common Expenses;
- (h) To own, convey, encumber, lease or otherwise deal with real property conveyed to or purchased by the Townhouse Association; and

- (i) To delegate the exercise of its power to committees appointed pursuant to Article Seven of these By-Laws.

Section 5.15: Owner Comment Period

A portion of each Board meeting shall be reserved for comments by Owners in attendance at such meeting. Provided, however, that the duration and meeting order for such Owner comment period is within the sole discretion of the Board.

Section 5.16: TERM

Upon the adoption of the amendment to the Original By-Laws adopted on April 17, 1995, the three (3) Directors on the Board at that time chose, by lot, their initial terms of office, with one (1) Director having a three (3) year term, one Director having a two (2) year term, and one (1) Director having a one (1) year term. Following the assignment of those initial terms of office and going forward, each new Director shall be elected for a three (3) year term. Each newly elected Director shall serve a term of three (3) years until his or her successor is elected or qualified.

ARTICLE VI

OFFICERS

Section 6.01: OFFICERS

The officers of the Townhouse Association shall be a President, one or more Vice Presidents, a Secretary, Treasurer, and such assistants to such officers as the Board may deem appropriate. All officers shall be elected at each annual meeting of the Board and shall hold office at the discretion of the Board. The President, Secretary and Treasurer shall be Directors and all other officers may, but need not be, Directors.

Section 6.02: VACANCY OF OFFICE

Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the Directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

Section 6.03: POWERS OF OFFICERS

The respective officers of the Townhouse Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of an Illinois Not-for-Profit Corporation including, but not limited to, the following:

- (a) The President shall be the Chief Executive Officer of the Townhouse Association and shall preside at all meetings of the members and at all meetings

of the Board and shall execute amendments to the Declarations and these By-Laws as provided in the Declarations and these By-Laws.

- (b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;
- (c) The Secretary shall keep minutes of all meetings of the Owners and of the Board and shall have custody of the corporate seal of the Townhouse Association and have charge of such other books, papers and documents as the Board may prescribe;
- (d) The Treasurer shall be responsible for Townhouse Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Townhouse Association books of accounts kept for such purpose.

Section 6.04: OFFICERS' COMPENSATION

The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Voting Members.

ARTICLE VII

COMMITTEE DESIGNATED BY BOARD

Section 7.01: BOARD COMMITTEES

The Board, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Townhouse Association; but the designation of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him or her by law.

Section 7.02: SPECIAL AND STANDING COMMITTEES

Other committees not having and exercising the authority of the Board in the management of the Townhouse Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Owners or representative of Owners and the Board shall appoint the members thereof and shall designate a Director to act as a liaison between such committee and the Board. Any member thereof may be removed by the Board whenever in its judgment the best interests of the Townhouse Association shall be served by such removal. The powers and the duties of any such standing

committee shall be as set from time to time by resolution of the Board. The chairman of each standing committee shall be a Director (who shall act as the liaison between the committee and the Board), and the other members of the committee (which need not be Directors) shall be appointed and removed from time to time by the Board.

Section 7.03: TERM

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

Section 7.04: CHAIRMAN

One member of each committee shall be appointed chairman.

Section 7.05: VACANCIES

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

Section 7.06: QUORUM

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 a quorum is present shall be the act of the committee.

Section 7.07: RULES

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

ARTICLE VIII

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 8.01: CONTRACTS

The Board may authorize any officer or officers, agent or agents of the Townhouse Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Townhouse Association and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary or an Assistant Secretary of the Townhouse Association.

Section 8.02: PAYMENTS

All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Townhouse Association shall be signed by such officer or officers, agent or agents of the Townhouse Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and counter-signed by the President or a Vice President of the Townhouse Association.

Section 8.03: BANK ACCOUNTS

All funds of the Townhouse Association not otherwise employed shall be deposited from time to time to the credit of the Townhouse Association in such banks, trust companies or other depositories as the Board shall elect.

Section 8.04: SPECIAL RECEIPTS

The Board may accept on behalf of the Townhouse Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Townhouse Association.

ARTICLE IX

FISCAL MANAGEMENT

Section 9.01: FISCAL YEAR

The fiscal year of the Townhouse Association shall be established by the Townhouse Association and may be changed from time to time by a resolution adopted by two-thirds (2/3) of the Board.

Section 9.02: ANNUAL STATEMENT

Within a reasonable time after the close of each fiscal year, the Board shall provide all Members with a reasonably detailed summary of the receipts, Common Expenses, and reserves for the preceding budget year. The Board shall: (i) make available for review to all Members an itemized accounting of the Common Expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures, plus reserves; or (ii) provide a consolidated annual independent audit report of the financial status of all fund accounts within the Townhouse Association.

Section 9.03: SPECIAL STATEMENT

Within ten (10) days after receipt of a written request from an Owner (together with payment of a reasonable fee, if any, set by the Board) the Board shall provide the Owner with a statement containing the following information:

- (a) The status of the Owner's account and the amount of any unpaid assessments or other charges due and owing from the Owner;
- (b) A brief description of any expenditures for major repairs, alterations, additions, or improvements to the Community Area which are anticipated within the period of twelve (12) months from the date of the statement; and
- (c) The status and amount of any and all Capital Reserves.

Section 9.04: ASSESSMENT PROCEDURE:

Annual assessments and special assessments shall be made and collected as provided in the Declarations.

ARTICLE X

BOOKS AND RECORDS

The Townhouse Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Townhouse Association a record giving the names and addresses of the members.

The Board shall maintain the following records of the Townhouse Association and make them available, within thirty (30) days of a written request for same to the Board, for examination and copying at convenient hours of weekdays by any Owner or such Owner's mortgagees and their duly authorized agents or attorneys:

- (a) Copies of the recorded Declarations, other Townhouse Association instruments, other duly recorded covenants and By-Laws and any amendments, Articles of Incorporation, annual reports and any rules and regulations adopted by the Townhouse Association;
- (b) Detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Townhouse Association and any

other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Townhouse Association;

- (c) The minutes of all meetings of the Townhouse Association and the Board shall be maintained for a period of not less than seven (7) years;
- (d) With a written statement of a proper purpose, ballots and proxies related thereto, if any, for any election held for the Board and for any other matters voted on by the Voting Members shall be maintained for a period of not less than one (1) year;
- (e) With a written statement of a proper purpose, such other records of the Townhouse Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the Illinois General Not-for-Profit Corporation Act of 1986.

The Townhouse Association may charge a reasonable fee for the costs of retrieving and copying any such documents.

ARTICLE XI

SEAL

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Townhouse Association and the words "Corporate Seal, Illinois".

ARTICLE XII

AMENDMENTS

These By-Laws may be amended or modified at any time, or from time to time by the affirmative votes of Voting Members having at least 70% of the total votes, and provided further, that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declarations.

END OF TEXT OF BY-LAWS

This instrument was prepared by:

KEAY & COSTELLO, P.C.
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