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JEAN DIMKE, RECORDER
JO DAVIESS COUNTY, IL
07/28/2016 08:08:41AM

REC FEE: 90.00
RHSP FEE: 9.00

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WALNUT HILL UMBRELLA ASSOCIATION

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Walnut Hill Umbrella Association (hereinafter referred to as "Declaration") and the Amended and Restated By-Laws of Walnut Hill Umbrella Assn., Inc. (hereinafter referred to as "By-Laws"), attached hereto as Exhibit "C", are recorded for the purpose of amending and restating the Umbrella Declaration Walnut Hill Property Owners' Association (hereinafter referred to as "Original Declaration"), which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on December 15, 1988 as Document No. 195280, as amended, and the By-Laws of Walnut Hill Umbrella 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 Walnut Hills Umbrella Assn., Inc. by vote of two-thirds (2/3) of the members of the Board.

PREAMBLE

WHEREAS, the Walnut Hills Umbrella Assn., Inc. (hereinafter the "Umbrella 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 Original Declaration was recorded with the Recorder of Deeds of

Jo Daviess County, Illinois on December 15, 1988 as Document No. 195280;

WHEREAS, the Original Declaration was amended by the Supplemental Declaration which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on August 22, 1989 as Document No. 199069;

WHEREAS, the Original By-Laws were amended by an amendment dated March 28, 1992;

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 Walnut Hill Umbrella Association;

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 Walnut Hill Umbrella Assn., Inc., attached hereto as Exhibit "C";

WHEREAS, the provisions of the Illinois General Not-For-Profit Corporation Act (805 ILCS 105/101.01 et. seq.) establish certain requirements which the Association is required to follow and with which the Original Declaration and Original By-Laws are in conflict;

WHEREAS, because of the conflict between the language of the Illinois General Not-For-Profit Corporation Act (805 ILCS 105/101.01 et. seq.) and the Original Declaration and Original By-Laws, there is the potential that confusion, incorrect action or litigation could result imposing needless financial expense on the Umbrella Association and the individual Owners and possibly also calling into question the validity of actions of the Board of Directors of the Umbrella Association;

WHEREAS, the Board of Directors desires to amend the Original Declaration to conform that document to the current provisions of the Illinois General Not-For-Profit Corporation Act (805 ILCS 105/101.01 et. seq.) as well as any other applicable statutes and correct any scrivener's errors;

WHEREAS, the Board of Directors desires to amend the Original By-Laws to conform that document to the current provisions of the Illinois General Not-For-Profit Corporation Act (805 ILCS 105/101.01 et. seq.) as well as any other applicable statutes and correct any scrivener's errors;

WHEREAS, this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Walnut Hill Umbrella Association and the Amended and Restated

By-Laws of Walnut Hill Umbrella Assn., 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 Walnut Hill Umbrella Association and the Amended and Restated By-Laws of Walnut Hill Umbrella Assn., 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 Umbrella Declaration Walnut Hill Property Owners' Association is hereby restated and amended as follows:

ARTICLE ONE

DEFINITIONS

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

- Section 1.01: Board: The Board of Directors of the Umbrella Association, as constituted at any time or from time to time, in accordance with the applicable provisions of Article Six.
- Section 1.02: Branigar: The Branigar Organization, Inc., an Illinois corporation.
- Section 1.03: Building: That portion of the Premises which is improved with a structure containing residential living units, including the structural components thereof.
- Section 1.04: By-Laws: The Amended and Restated By-Laws of Walnut Hill Umbrella Assn., Inc., a copy of which is attached hereto as Exhibit "C" and by this reference made a part hereof.
- Section 1.05: Charges: The Community Assessment, any special assessment levied by the Umbrella Association and/or any other charges or amounts which an Owner is required to pay or for which an Owner is liable under this Declaration or the By-Laws.
- Section 1.06: Community Area: Those portions of the Premises which are described and designated as "Community Area" on Exhibit A hereto, as Exhibit A may be amended or supplemented from time to time,

together with all improvements located above and below the ground and rights appurtenant thereto. The Community Area shall generally include open space, private drives, private streets, parking areas, walkways, green areas, and Recreational Facilities, but shall not include any Dwelling Units. Branigar may from time to time make portions of the Possible Additional Development Area subject to this Declaration as "Added Community Area" pursuant to Article Nine.

Section 1.07: Community Assessment: The amounts which the Umbrella Association shall assess and collect from the Owners to pay the Community Expenses and accumulate reserves for such expenses, as more fully described in Article Seven.

Section 1.08: Community Expenses: The expenses of administration (including management and professional services), operation, maintenance, repair, replacement, landscaping and snow removal of the Community Area; the cost of insurance, water, electricity, telephone and other necessary utility expenses for the Community Area; the cost of general and special real estate taxes and assessments levied or assessed against any portion of the Community Area owned by the Umbrella Association; the cost of, and the expenses incurred for, the maintenance, repair and replacement of personal property acquired and used by the Umbrella Association in connection with the operation of the Community Area; to the extent not accepted for maintenance by the County or other entity, the cost of maintaining and repairing water mains, sanitary sewer lines and storm sewer lines located on the Community Area, even if any such items have been dedicated to the County or any other entity; the costs of maintaining all driveways and parking areas on the Community Area; any expenses designated as Community Expenses by this Declaration; and any other expenses lawfully incurred by the Umbrella Association for the common benefit of all of the Owners.

Section 1.09: County: Jo Daviess County, Illinois, or any successor thereto.

Section 1.10: Declaration: This instrument with all Exhibits hereto, as amended or supplemented from time to time.

Section 1.11: Development: A phased residential development, of which the Premises shall be a part of, that has been and/or will be developed by Branigar in The Galena Territory called "Walnut Hill" and which shall include detached as well as attached residences of various types, parking areas, green space, walkways, driveways and

recreational facilities.

- Section 1.12: Dwelling Unit: A residential living unit or vacant lot of Record located on a portion of the Premises. If two or more Dwelling Units are combined, each Dwelling Unit shall nevertheless be considered as a separate Dwelling Unit under this Declaration.
- Section 1.13: First Mortgage: A bona fide first mortgage, first trust deed or equivalent security interest covering a Dwelling Unit.
- Section 1.14: First Mortgagee: The holder of a First Mortgage.
- Section 1.15: Owner: A Record owner, whether one or more persons, of fee simple title to a Dwelling Unit, including a contract seller, but excluding those having such interest merely as security for the performance of an obligation. Branigar shall be deemed to be an Owner with respect to each Dwelling Unit owned by Branigar.
- Section 1.16: Person: A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.
- Section 1.17: Possible Additional Development Area: The real estate described in Exhibit B hereto with all improvements thereon and rights appurtenant thereto. Any portions of the Possible Additional Development Area which are not part of the Premises may be developed and used for any purposes not prohibited by law, including, without limitation, as a commercial development or as a residential development which is administered separate from the Umbrella Association.
- Section 1.18: Premises: That real estate which is described in Exhibit A hereto as Exhibit A may be amended or supplemented from time to time, with all improvements thereon and rights appurtenant thereto. Branigar may make portions of the Possible Additional Development Area part of the Premises as provided in Article Nine.
- Section 1.19: Record: Recorded in the Office of the Recorder of Deeds for the County.
- Section 1.20: Recreational Facilities: Those portions of the Premises which are designated on Exhibit A, as such may be amended or supplemented from time to time, as being Recreational Facilities. There were no Recreational Facilities designated upon the initial Recording of the

Original Declaration. Except as set forth in the second full paragraph of the RECITALS on page one (1) of the Original Declaration, the construction, character and extent of any Recreational Facilities will be determined by Branigar in its sole discretion.

Section 1.21: Resident: An individual who resides in a Dwelling Unit and who is either the Owner, a tenant of the Owner, a contract purchaser of the Dwelling Unit, or a relative of any such Owner, tenant or contract purchaser.

Section 1.22: Residential Association: A condominium, townhome or golf villa association, or the like, created pursuant to a declaration of such ownership Recorded on portions of the Premises, the members of which are Owners of Dwelling Units which are located on the Premises.

Section 1.23: Turnover Date: According to the Original Declaration, the Turnover Date was set to occur, at the latest, on December 15, 1993, and thus has already occurred.

Section 1.24: Umbrella Association: The Walnut Hill Umbrella Assn., Inc., an Illinois Not-For-Profit Corporation.

ARTICLE TWO

SCOPE OF DECLARATION

Section 2.01: PROPERTY SUBJECT TO DECLARATION

Branigar, as the owner of fee simple title to the Premises, expressly intended to and by Recording the Original Declaration did subject the Premises to the provisions of the Original Declaration, and the Premises are likewise subject to this Declaration. Branigar reserves the right (but shall not be obligated) to add portions of the Possible Additional Development Area to the Premises from time to time as more fully provided in Article Nine hereof.

Section 2.02: CONVEYANCES SUBJECT TO DECLARATION

All covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration 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 at any time any interest or estate in any part of the Premises.

Reference in any deed of conveyance, lease, mortgage, trust deed, other evidence of obligation, or other instrument, to the provisions of this Declaration shall be sufficient to create and reserve all of the covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved, or declared by this Declaration, as fully and completely as though they were set forth in their entirety in any such document.

Section 2.03: DURATION

Except as otherwise specifically provided herein, the covenants, conditions, restrictions, easements, reservations, liens, and charges, which are granted, created, reserved or declared by this Declaration shall be appurtenant to and shall run with and bind the land for a period of fifty (50) years from the date of Recording of this Declaration and thereafter 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 three-fourths (3/4) of the then Owners.

ARTICLE THREE

THE COMMUNITY AREA

Section 3.01: OWNERSHIP

Branigar shall have the right to retain legal title to all or any part of the Community Area; provided that Branigar shall convey, or cause to be conveyed the Community Area to the Umbrella Association, no later than one (1) year after the conveyance of the last Dwelling Unit subject to the terms and conditions of this Declaration, whether located on the Premises or the Possible Additional Development Area. Branigar hereby reserves a nonexclusive, perpetual access easement over and across the Community 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 Community Area.

Section 3.02: RECREATIONAL FACILITIES

Upon the initial Recording of the Original Declaration no Recreational Facilities were constructed or made subject to the Original Declaration. From time to time, Branigar may (but, except as set forth in the second full paragraph of the RECITALS on page one (1) of the Original Declaration with respect to the construction of recreational facilities in the nature of a swimming pool and bath

house required to be constructed by Branigar and added to the Premises by June 30, 1990, it shall not be obligated to) construct facilities on portions of the Possible Additional Development Area and may (but shall not be obligated to) make any such facilities which it does construct subject to this Declaration as Recreational Facilities.

Section 3.03: ACCESS EASEMENT

Each Owner shall have a nonexclusive perpetual easement for ingress to and egress from his or her Dwelling Unit to public streets and roads over and across all walkways, private roads and driveways located on the Community Area, which easement shall run with the land, be appurtenant to and pass with the title to every Dwelling Unit. The owner from time to time of any portion of the Development Area which is not part of the Premises shall have a nonexclusive perpetual easement from such portion of the Development Area to public streets and roads over and across private roads located on the Community Area, which easement shall run with the land, be appurtenant to and pass with title to such portion of the Development Area. The County or any other governmental authority which has jurisdiction over the Premises shall have a nonexclusive easement of access over the Community Area for police, fire, ambulance, waste removal, snow removal and other vehicles for the purpose of furnishing municipal or emergency services to the Development Area. The Umbrella Association, its employees, agents and contractors, shall have the right of ingress to, egress from and parking on the Community Area, and the right to store equipment on the Community Area, for the purposes of furnishing any maintenance, repairs or replacements of the Community Area, as required or permitted hereunder.

Section 3.04: RIGHT OF ENJOYMENT

Each Owner and Resident shall have the nonexclusive right and easement to use and enjoy the Community Area. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Dwelling Unit, be subject to and governed by the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Umbrella Association.

Section 3.05: RULES AND REGULATIONS

The use and enjoyment of the Community Area shall at all times be subject to reasonable rules and regulations duly adopted by the Umbrella Association.

Section 3.06: UTILITY EASEMENTS

All public and private utilities serving the Development Area are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Premises for the purpose of providing utility services to any portion of the Development Area.

Section 3.07: MAINTENANCE, REPAIR AND REPLACEMENT

- (a) Maintenance, repairs and replacements of the Community Area, shall be furnished by the Umbrella Association in accordance with the provisions of this Declaration and shall include, without limitation, the following:
 - (i) The maintenance (including street cleaning and snow removal), repair and replacement of the private roads, driveways, walks, paths, parking areas, access facilities, Recreational Facilities and of all other improvements on and through the Community Area; and
 - (ii) Added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Community Area.

The costs of maintenance, repairs and replacement of the Community Area shall be Community Expenses, except to the extent reimbursed from insurance proceeds pursuant to subsection (b), below, or by an Owner pursuant to Section 3.09.

- (b) In the event that any of the improvements to the Community Area owned by the Umbrella Association are damaged, then unless a resolution to the contrary is adopted by the affirmative vote of at least 75% of the Voting Members, the damaged improvements shall be restored to their condition before such damage occurred and the insurance proceeds, if any, shall be used first to pay the cost thereof, any excess insurance proceeds shall be used to pay the Community Expenses, and any cost in excess of available insurance proceeds shall be paid from applicable reserves or as a Community Expense.

Section 3.08: DAMAGE BY RESIDENT

If, due to the act or omission of a Resident of a Dwelling Unit, or of a household pet or guest or other occupant or invitee of such Resident, damage shall be caused to the Community Area and maintenance, repairs or replacements shall

be required thereby, which would otherwise be a Community Expense, then the Owner of the Dwelling Unit in which such Resident resides shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Umbrella Association Board, to the extent not covered by insurance carried by the Umbrella Association.

Section 3.09: ALTERATIONS, ADDITIONS OR IMPROVEMENTS

No alterations, additions or improvements shall be made to the Community Area without the prior approval of the Umbrella Association Board. Any such alteration, addition or improvement which shall cost more than One Hundred Dollars (\$100.00) multiplied by the number of Dwelling Units then subject to this Declaration shall be approved by the affirmative vote of at least two-thirds of the votes cast at a duly called meeting of the Umbrella Association members, and the cost thereof may be paid from a special assessment, as more fully described in Section 7.05.

Section 3.10: EASEMENTS, LEASES, LICENSES AND CONCESSIONS

The Umbrella Association shall have the right and power from time to time (a) to lease or grant easements, licenses, or concessions with regard to any portions or all of the Community Area for such uses and purposes as the Umbrella Association Board deems to be in the best interests of the Owners and which are not prohibited hereunder, including, without limitation, the right to grant easements relating to installation and operation of utilities, communication systems, satellite or cable television systems and similar and related purposes and/or (b) cancel, alter or modify any easement which affects any Community Area and which does not benefit an Owner, as the Board in its discretion shall determine. Any and all proceeds from leases, easements, licenses or concessions with respect to the Community Area shall be used to pay the Community Expenses. Also, the Umbrella Association shall have the right and power to dedicate any part or all of the water mains or sanitary sewers, roads or parking areas to the County or any other governmental authority which has jurisdiction over the Community Area. Each person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Dwelling Unit, shall be deemed to grant a power coupled with an interest to the Umbrella Association Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements or to make the dedication provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Umbrella Association and duly Recorded.

Section 3.11: INSURANCE

- (a) The Umbrella Association shall have the authority to and shall obtain fire and all risk coverage insurance covering the improvements to the Community Area owned by the Umbrella Association (based on current replacement cost for the full insurable replacement value of such improvements).
- (b) The Umbrella Association shall 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 Umbrella Association, its directors and officers, and Branigar, its directors, officers, employees and agents, as their interests may appear, from liability resulting from an occurrence on or in connection with, the Community Area. The Umbrella Association Board may, in its discretion, obtain any other insurance which it deems advisable including, without limitation, insurance covering the directors and officers from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 6.06. Such insurance coverage shall include cross liability claims of one or more insured parties.
- (c) Fidelity bonds indemnifying the Umbrella Association, the Umbrella Association Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Umbrella Association or of any other person handling funds of the Umbrella Association may be obtained by the Umbrella Association in such amounts as the Umbrella Association Board may deem desirable.
- (d) The Umbrella Association and each Owner hereby waive and release any and all claims which it or he may have against any Owner, the Umbrella Association, its directors and officers, and Branigar, and its directors, officers, employees and agents, for damage to the Community Area, or to any personal property located in the Community Area caused by fire or other casualty, to the extent that such damage is covered by fire or other forms of casualty insurance, and to the extent this release is allowed by policies for such insurance. To the extent possible, all policies secured by the Umbrella Association Board under subsections (a) and (b) shall contain waivers of the insurer's rights to subrogation against any Owner, the Umbrella Association, its directors and officers, and Branigar and its directors, officers, employees and agents.

- (e) Except as provided in (e) above, the premiums for any insurance obtained under this Section shall be Community Expenses.

Section 3.12: CONDEMNATION

In the case of a taking or condemnation by competent authority of any part of the Community Area owned by the Umbrella Association, the proceeds awarded in such condemnation shall be paid first to satisfy any indebtedness secured by a mortgage or other lien encumbering such portion of the Community Area and the balance to the Umbrella Association. The proceeds, if any, paid to the Umbrella Association, together with any Community Area capital reserve being held for such part of the Community Area, shall be used first to restore the remaining Community Area in the vicinity of the portion that was taken to conform as closely as possible to the general appearance and design of the remaining Community Area, and the balance, if any, shall, in the discretion of the Umbrella Association Board, either (i) be distributed to the Owners and their respective First Mortgagees, as their interests may appear, in equal shares, or (ii) be used to acquire additional real estate to be used and maintained for the mutual benefit of all Owners, as Community Area under this Declaration. Any acquisition by the Umbrella Association, pursuant to this Section, of real estate which shall become Community Area hereunder shall not become effective unless and until a supplement to this Declaration, which refers to this Section and legally describes the real estate affected, is executed by the president of the Umbrella Association, attested by the secretary of the Umbrella Association and Recorded.

Section 3.13: COMMUNITY AREA RESTRICTION/SIGNS

No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Community Area. No "For Sale" or "For Rent" signs or any other advertising shall be maintained or permitted on any part thereof or visible on the Community Area, except as permitted by the Umbrella Association Board. The activities of Branigar in connection with the construction and marketing of the Development and the activities of any managing agent performed pursuant to a management contract between such managing agent and the Umbrella Association or any Residential Association shall not be subject to restrictions set forth in this Section.

Section 3.14: OBSTRUCTIONS

Except as permitted under Section 10.03 or as necessary to perform maintenance of, or make improvements to, the Community Area, there shall be no obstruction of

the Community Area or of any emergency access or construction gates. No Owner shall store any items or materials in the Community Area without the prior written consent of the Umbrella Association Board.

Section 3.15: PETS

No animal of any kind shall be raised, bred or kept in the Community Area. The Umbrella Association Board may from time to time adopt rules and regulations governing the use of the Community Area by pets, including, without limitation, rules and regulations which require the leashing of such pets or which require an Owner to clean up after its pet. Any pet causing or creating a nuisance or unreasonable disturbance on the Community Area shall be permanently removed from the Premises upon three (3) days written notice from the Umbrella Association Board to the Owner of the Dwelling Unit containing such pet and the decision of the Umbrella Association Board shall be final.

Section 3.16: PROSCRIBED ACTIVITIES

No noxious or offensive activity shall be carried on in the Community Area nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Residents.

Section 3.17: STRUCTURAL IMPAIRMENT

Nothing shall be done in, on or to the Community Area which would impair the structural integrity of any Building or other structure located thereon.

Section 3.18: NO UNSIGHTLY USES

The Community Area shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Umbrella Association Board.

Section 3.19: PARKING

Any outdoor parking areas located on the Community Area shall be used as parking for guests of Residents or as otherwise permitted by the Umbrella Association Board in accordance with reasonable rules and regulations. No boats, trailers, trucks, recreational vehicles or similar vehicles shall be stored or parked overnight on any portion of the Community Area.

ARTICLE FOUR

EASEMENT FOR ENCROACHMENT

Section 4.01: EASEMENT FOR ENCROACHMENT

If by reason of the design, construction, reconstruction, settlement or shifting of any improvement located on the Premises:

- (a) Such improvement shall encroach upon the Community Area; or
- (b) Improvements to the Community Area shall encroach upon a Dwelling Unit;

then there shall be deemed to be an easement in favor of and appurtenant to such encroaching improvement for the continuance, maintenance, repair and replacement thereof. The Person who is responsible for the maintenance of any encroaching improvement for which an easement for continuance, maintenance repair and replacement thereof is granted under this Section shall continue to be responsible for the maintenance of such encroaching improvement and the Person who is responsible for the maintenance of the real estate upon which such improvement encroaches shall not have the duty to maintain, repair or replace any such encroaching improvement unless otherwise provided in this Declaration.

ARTICLE FIVE

ARCHITECTURAL CONTROL

Section 5.01: OVERALL CONTROL

The Umbrella Association Board, or a duly authorized committee thereof created pursuant to the By-Laws, shall have the right and power from time to time to adopt reasonable rules and regulations governing the architectural design and exterior finish of all improvements from time to time located on the Community Area. All such changes shall also be approved pursuant to Article IV of the General Declaration of Covenants and Restrictions for The Galena Territory and pursuant to the Architectural Guidelines and Review Procedures adopted by The Galena Territory Architectural Review Committee.

Section 5.02: BRANIGAR'S RIGHTS

The provisions of Section 5.01 shall not apply to any construction at any time

performed by Branigar, or its employees, agents or contractors, on any part or parts of the Premises including, without limitation, the architectural design, construction, alteration, improvement, or decorating of any improvements to the Community Area, or any landscaping of any part of the Premises.

ARTICLE SIX

THE UMBRELLA ASSOCIATION

Section 6.01: IN GENERAL

Branigar has caused the Umbrella Association to be incorporated as a not-for-profit corporation under Illinois law. The Umbrella Association shall be the governing body for all of the Owners for the administration and operation of the Community Area. All agreements and determinations lawfully made by the Umbrella Association shall be deemed to be binding on all Owners and their respective successors and assigns.

Section 6.02: MEMBERSHIP

Each Owner shall be a member of the Umbrella Association. There shall be one membership per Dwelling Unit. Membership shall be appurtenant to and may not be separated from ownership of a Dwelling Unit. Ownership of a Dwelling Unit shall be the sole qualification for membership.

Section 6.03: OWNER VOTING RIGHTS

All of the voting rights at any meeting of the members of the Umbrella Association or otherwise shall be vested in the Owners. Each Owner shall have the number of votes equal to the number of Dwelling Units owned by such Owner. Any action may be taken by the Owners at any meeting at which a quorum is present (as provided in the By-Laws) upon an affirmative vote of a majority of the votes represented at the meeting by the Owners present, in person or by proxy, at such meeting, except as otherwise provided herein or in the By-Laws.

Section 6.04: UMBRELLA ASSOCIATION BOARD

The Umbrella Association Board shall be elected by the Owners as provided in the By-Laws, subject to Sections 6.05 and 6.06. Said Board shall direct and administer the Umbrella Association affairs in accordance with the terms and provisions of this Declaration, and when not inconsistent therewith, any Articles of Incorporation and the By-Laws. All matters requiring action by said Board shall

be decided by majority vote. The Umbrella Association Board shall consist of at least three (3) Directors.

Section 6.05: BRANIGAR'S RIGHTS

Turnover of the Association by Branigar has already occurred, and the Owners shall elect the Umbrella Association Board pursuant to the terms of this Section and the By-Laws.

Section 6.06: REPRESENTATION ON THE UMBRELLA ASSOCIATION BOARD

For all elections, the Umbrella Association Board shall consist of one Director from each Residential Association governing real estate theretofore or hereafter subjected to this Declaration to be appointed to the Umbrella Association Board by each such Residential Association in accordance with its By-Laws and one Director to be elected from among all of the Owners of the single family residential lots of Record theretofore or hereafter subjected to this Declaration (whether Recorded pursuant to one or more separate plats of subdivision or additions thereto) with only the Owners of said lots of Record being entitled to vote for such Director.

Section 6.07: DIRECTOR AND OFFICER LIABILITY

The Directors from time to time constituting the Umbrella Association Board and the Officers of the Umbrella Association shall not be liable to the Owners for any mistake of judgment or for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such Director or Officer unless the act or omission involved "willful or wanton conduct," which for these purposes means a course of action which shows an actual or deliberate intention to cause harm or which, if not intentional, shows an utter indifference to or conscious disregard for the safety of others or their property.

Section 6.08: MANAGING AGENT

Branigar (or an entity selected by Branigar) may be engaged by the Umbrella Association to act as the managing agent for the Umbrella Association and as managing agent shall be paid a reasonable fee for its services as fixed by a written agreement between the Umbrella Association and Branigar (or an entity selected by Branigar). Any Management Agreement entered into by the Umbrella Association shall have a term of not more than two years and shall be terminable by the Umbrella Association for cause on thirty (30) days written notice, or without cause or payment of a termination fee by either party on ninety (90) days written

notice.

ARTICLE SEVEN

UMBRELLA ASSOCIATION ASSESSMENTS

Section 7.01: PURPOSE OF ASSESSMENTS

The assessments levied by the Umbrella Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of members of the Umbrella Association, to administer the affairs of the Umbrella Association, to pay the Community Expenses, and to accumulate reserves for any such expenses.

Section 7.02: COMMUNITY ASSESSMENT

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

- (a) The estimated Community Expenses;
- (b) The estimated amount, if any, to maintain adequate reserves for Community Expenses including, without limitation, amounts to maintain any Reserves;
- (c) The estimated net available cash receipts from the operation and use of the Community Area, plus estimated excess funds, if any, from the current year's assessments;
- (d) The amount of the "Community Assessment" payable by the Owners, which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) above, minus the amount determined in (c) above;
- (e) That portion of the Community Assessment which shall be payable each month by the Owner of each Dwelling Unit which is subject to assessment hereunder, which shall be equal to one-twelfth of the Community Assessment divided by the number of Dwelling Units, so that each Owner shall pay equal Community Assessments.

Section 7.03: PAYMENT OF COMMUNITY ASSESSMENT

On or before the first day of the ensuing fiscal year, and on or before the first day of each and every month thereafter until the effective date of the next annual or revised Community Assessment, each Owner of a Dwelling Unit which is subject to assessment shall pay to the Umbrella Association, or as the Umbrella Association Board may direct, that portion of the Community Assessment which is payable by each Owner of a Dwelling Unit under Section 7.02(e).

Section 7.04: REVISED ASSESSMENT

If any Community Assessment proves inadequate for any reason (including nonpayment of any Owner's assessment) or proves to exceed funds reasonably needed, then the Umbrella Association Board may increase or decrease the assessment payable under Section 7.02(e) by giving written notice thereof (together with a revised budget and explanation for the adjustment) to each Owner not less than ten (10) days prior to the effective date of the revised assessment.

Section 7.05: SPECIAL ASSESSMENT

The Umbrella Association Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Community Expenses incurred (or to be incurred) by the Umbrella Association from time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Community Area, or any other property owned or maintained by the Umbrella Association; or (ii) to cover an unanticipated deficit under the prior year's budget. Any special assessment shall be levied against all of the Owners, share and share alike. No special assessment which shall require the aggregate payment with respect to a Dwelling Unit of greater than five (5) times the most recent monthly assessment shall be adopted without the affirmative vote of at least two-thirds (2/3) of the Voting Members who cast their votes on the question. The Umbrella Association Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Umbrella Association Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

Section 7.06: RESERVES

The Umbrella Association shall segregate and maintain special reserve accounts to be used solely for making major repairs or replacements in connection with the Community Area (the "Reserve"). The Umbrella Association Board shall determine the appropriate level of the Reserve based on a periodic review of the useful life of improvements to the Community Area and other property owned by the Umbrella Association and periodic projections of the cost of anticipated major repairs or replacements to the Community Area and the purchase of other property to be used by the Umbrella Association in connection with its duties hereunder.

Section 7.07: LIMITATION ON ANNUAL ASSESSMENTS

The Umbrella Association shall pay all costs incurred in connection with the operation of the Umbrella Association. Notwithstanding anything to the contrary in this Declaration, Branigar shall not be responsible for Community Assessments or special assessments, including payments toward Reserves, on unsold Dwelling Units owned by Branigar.

Section 7.08: BOOKS AND RECORDS

Each Owner shall be furnished at least thirty (30) days prior to adoption a copy of the proposed budget for the Umbrella Association. Within a reasonable time after the close of each fiscal year, the Umbrella Association Board shall furnish each Owner with an itemized account of the Community Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected for annual assessments and showing the net excess or deficit of income over expenditures, plus reserves.

ARTICLE EIGHT

COLLECTION OF CHARGES

Section 8.01: CREATION OF LIEN AND PERSONAL OBLIGATION

Each Owner of a Dwelling Unit by acceptance of a deed therefor (whether or not it shall be so expressed in any such deed or other conveyance) shall be and is deemed to covenant and hereby agrees to pay to the Umbrella Association all Charges made with respect to the Owner on the Owner's Dwelling Unit. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Dwelling Unit against

which such Charge is made and also shall be the personal obligation of the Owner of the Dwelling Unit at the time when the Charge becomes due. The lien or personal obligation created under this Section shall be in favor of and shall be enforceable by the Umbrella Association.

Section 8.02: NONPAYMENT OF CHARGES

Any Charge which is not paid to the Umbrella Association when due shall be deemed delinquent. Any Charge which is delinquent for thirty (30) days or more shall bear interest at the contract rate of interest then permitted in Illinois but not to exceed eighteen percent (18%) per annum from the due date to the date when paid and the Umbrella Association may (i) bring an action against the Owner personally obligated to pay the Charge to recover the Charge (together with interest, costs and reasonable attorney's fees for any such action, which shall be added to the amount of the Charge and included in any judgment rendered in such action), and (ii) enforce and foreclose any lien which it has or which may exist for its benefit. No Owner may waive or otherwise escape personal liability for the Charges hereunder by nonuse of the Community Area, or by abandonment or transfer of his Dwelling Unit.

Section 8.03: LIEN FOR CHARGES SUBORDINATED TO MORTGAGES

The lien for Charges, provided for in Section 8.01, shall be subordinate to a First Mortgage on the Dwelling Unit which was Recorded prior to the date that any such Charge became due and shall be on a parity with any lien for assessments levied by any Residential Association on the Dwelling Unit. Except as hereinafter provided, the lien for Charges, provided for in Section 8.01, shall not be affected by any sale or transfer of a Dwelling Unit. Where title to a Dwelling Unit is transferred pursuant to a decree of foreclosure of the First Mortgage or by deed or assignment in lieu of foreclosure of the First Mortgage, such transfer of title shall extinguish the lien for unpaid Charges which became due prior to the date of the transfer of title. However, the transferee of the Dwelling Unit shall be personally liable for its share of the Charges with respect to which a lien against its Dwelling Unit has been extinguished pursuant to the preceding sentence where such Charges are reallocated among all the Owners pursuant to a subsequently adopted annual or revised Community Assessment or special assessment, and nonpayment thereof shall result in a lien against the transferee's Dwelling Unit, as provided in this Article.

ARTICLE NINE

ANNEXING ADDITIONAL PROPERTY

[This Article intentionally left Blank]

ARTICLE TEN

BRANIGAR'S RESERVED RIGHTS AND

SPECIAL PROVISIONS COVERING DEVELOPMENT PERIOD

Section 10.01: IN GENERAL

In addition to any rights or powers reserved to Branigar under the provisions of this Declaration or the By-Laws, Branigar shall have the rights and powers set forth in this Article. Anything in this Declaration or the By-Laws to the contrary notwithstanding, the provisions set forth in this Article shall govern. If not sooner terminated as provided in this Article, the provisions of this Article shall terminate and be of no further force and effect from and after such time as Branigar is no longer vested with or controls title to any portion of the Possible Additional Development Area.

Section 10.02: PROMOTION OF DEVELOPMENT

In connection with the promotion, sale or rental of any improvements upon the Development Area: (i) Branigar shall have the right and power, within its sole discretion, to construct such temporary or permanent improvements, or to do such acts or other things in, on, or to the Premises as Branigar may, from time to time, determine to be necessary or advisable, including, without limitation, the right to construct and maintain model Dwelling Units, sales offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as Branigar may deem advisable; (ii) Branigar, its agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Community Area, at any and all reasonable times without fee or charge; and (iii) Branigar shall have the right to sell or lease Dwelling Units to whomever and on such terms as Branigar, in its sole discretion, shall determine.

Section 10.03: CONSTRUCTION ON PREMISES

In connection with the construction of improvements to any part of the Premises, Branigar, its agents and contractors, shall have the right, at its own expense, (but shall not be obligated) to make such alterations, additions or improvements to any part of the Premises including, without limitation, the construction, reconstruction or alteration of any temporary or permanent improvements to any structure which shall contain Dwelling Units or the Community Area which Branigar deems, in its sole discretion, to be necessary, advisable or required by the Village, and the landscaping, sodding or planting and replanting of any unimproved portions of the Premises. In connection with the rights provided in the preceding sentence, Branigar, its agents and contractors, shall have the right of ingress, egress and parking on the Premises and the right to store construction equipment and materials on the Premises without the payment of any fee or charge whatsoever.

Section 10.04: GRANT OF EASEMENTS

Branigar shall have the right to reserve or grant easements over the Community Area to any governmental authority, public utility or private utility for the installation and maintenance of electrical and telephone conduit and lines, gas, sewer or water lines, or any other utility services serving any Dwelling Unit, or any other real estate (whether or not a part of the Premises).

Section 10.05: OTHER RIGHTS

Branigar shall have the right and power to execute all documents and do all other acts and things affecting the Premises which, in Branigar's opinion, are necessary or desirable in connection with the rights of Branigar under this Declaration.

ARTICLE ELEVEN

REMEDIES FOR BREACH OR VIOLATION

Section 11.01: SELF-HELP BY BOARD

In the event of a violation by an Owner of the provisions, covenants or restrictions of the Declaration, the By-Laws, or the rules or regulations of the Umbrella Association Board, where such violation or breach may be cured or abated by affirmative action, the Umbrella Association Board, upon not less than ten (10) days prior written notice, shall have the right to enter upon that part of the Premises where the violation or breach exists and summarily abate, remove or do whatever else may be necessary to correct such violation or breach; provided,

however, that where the violation or breach involves an improvement located within the boundaries of a Dwelling Unit, judicial proceedings shall be instituted before any items of construction can be altered or demolished. Any and all expenses in connection with the exercise of the right provided by this Section shall be a Charge hereunder payable by the violating Owner.

Section 11.02: OTHER REMEDIES OF THE BOARD

In addition to or in conjunction with the remedies set forth above or elsewhere in this Declaration, in the event of a violation by an Owner of this Declaration, the By-Laws, or rules and regulations of the Umbrella Association Board, the Umbrella Association Board or its agents shall have the right to bring an action at law or in equity against the Owner and/or others as permitted by law including, without limitation, (i) to foreclose a lien against the Dwelling Unit Ownership, (ii) for damages, injunctive relief, or specific performance, (iii) for judgment or for the payment of money and the collection thereof, and (iv) for any other relief which the Umbrella Association Board may deem necessary or appropriate. Any and all rights and remedies provided for in this Article may be exercised at any time and from time to time cumulatively or otherwise by any provisions of this Declaration, the By-Laws or rules and regulations of the Umbrella Association Board shall in no event be deemed a waiver of the right to do so thereafter.

Section 11.03: COSTS AND EXPENSES

All expenses incurred by the Umbrella Association Board in connection with the actions, proceedings or self-help in connection with the exercise of its rights and remedies under this Article, including, without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest contract rate of interest then permitted in Illinois (but not to exceed 18% per annum) until paid, shall be a Charge hereunder payable by the defaulting Owner, and the Umbrella Association shall have a lien for all the same upon his Dwelling Unit, as provided in Section 6.01.

Section 11.04: ENFORCEMENT BY OWNERS

Enforcement of the provisions contained in this Declaration and the rules and regulations adopted hereunder may be by any proceeding at law or in equity by any aggrieved Owner against any person or persons violating or attempting to violate any such provisions, either to restrain such violation or to recover damages, and against a Dwelling Unit to enforce any lien created hereunder.

ARTICLE TWELVE

AMENDMENT

Section 12.01: AMENDMENT

Subject to Article Thirteen, the provisions of this Declaration may be amended, abolished, modified, enlarged, or otherwise changed in whole or in part by the affirmative vote of the Owners or by an instrument executed by the Owners, representing at least Seventy-Five Percent (75%) of the Dwelling Units; except, that (i) the provisions of this Section 12.01 may be amended only by an instrument executed by all of the Owners and all First Mortgagees, and (ii) Article Nine, Article Ten or any other provisions relating to the rights of Branigar may be amended only upon the written consent of Branigar. No amendment which removes any part of the Premises from the provisions of this Declaration shall be effective if as a result of such removal, an Owner of a Dwelling Unit shall no longer have the legal access to a public way from its Dwelling Unit. No amendment shall become effective until properly Recorded.

ARTICLE THIRTEEN

MISCELLANEOUS

Section 13.01: NOTICES

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 when (i) mailed, postage prepaid, to his or its last known address as it appears on the records of the Umbrella Association at the time of such mailing or (ii) when delivered personally to its Dwelling Unit.

Section 13.02: CAPTIONS

The Article and paragraph headings herein are intended for convenience only and shall not be construed with any substantive effect in this Declaration. In the event of any conflict between statements made in recitals to this Declaration and the provisions contained in the body of this Declaration, the provisions in the body of this Declaration shall govern.

Section 13.03: SEVERABILITY

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

Section 13.04: PERPETUITIES AND OTHER INVALIDITY

If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the President of the United States at the time of Recording of this Declaration.

Section 13.05: TITLE HOLDING LAND TRUST

In the event title to any Dwelling Unit is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Dwelling Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all Charges and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Dwelling Unit. No claim shall be made against any such title holding 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 the Dwelling Unit and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Dwelling Unit.

Section 13.06: ASSIGNMENT BY BRANIGAR

All rights which are specified in this Declaration to be rights of Branigar are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of Branigar hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure, or otherwise) shall hold or be entitled to exercise the rights of Branigar hereunder as fully as if named as such party herein. No such successor assignee of the rights of Branigar hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

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 Walnut Hills Umbrella Assn., Inc., and that the attached is a true, correct, and accurate copy of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Walnut Hill Umbrella Association and the Amended and Restated By-Laws of Walnut Hill Umbrella Assn., 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 Walnut Hills Umbrella Assn., Inc. at a Board meeting.

EXECUTED this 9TH day of JULY, 2016.

SANDY SWAN
Printed Name

Sandy Swan
Signature, as President of the Board of Directors of Walnut Hills Umbrella Assn., Inc.

DEBORAH P. SCHULTZ
Printed Name

Deborah P. Schultz
Signature, as Secretary of the Board of Directors of Walnut Hills Umbrella Assn., Inc.

I, SUSAN R. MILLER, a Notary Public, hereby certify that on the above date, the above members of the Board of Directors of Walnut Hills Umbrella Assn., 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 9, 2016

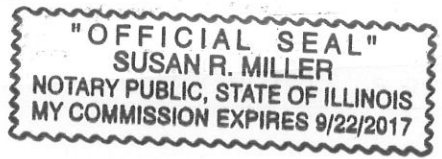


EXHIBIT "A"

LEGAL DESCRIPTION OF PREMISES

Added by the Original Declaration:

I. Townhome Area

BRANIGAR'S PLAT OF EAGLE RIDGE UNIT "Q" OF THE GALENA TERRITORY, A SUBDIVISION LOCATED IN THE SE1/4-SW1/4 OF SECTION 19, T28N, R2E OF THE FOURTH PRINCIPAL MERIDIAN, GUILFORD TOWNSHIP, JO DAVIESS COUNTY, ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED August 29, 1988 AS DOCUMENT NO. 193458, WHICH IS BOUNDED BY A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 19; THENCE N76°38'08"E 1582.26' TO THE POINT OF BEGINNING; THENCE N6°00'00"E 34.35' TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTHEAST, RADIUS 153.00', THE CHORD OF WHICH BEARS N33°29'42"E 141.27' TO A POINT OF TANGENT; THENCE N60°59'24"E 152.40' TO A POINT OF NON-TANGENTIAL CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTHEAST, RADIUS 133.00', THE CHORD OF WHICH BEARS N60°15'00"E 161.01'; THENCE N8°00'00"W 258.00'; THENCE N80°00'00"E 235.90'; THENCE S40°00'00"E 247.55'; THENCE S23°00'00"W 226.55'; THENCE N82°30'00"W 278.00' TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTHEAST, RADIUS 67.00', THE CHORD OF WHICH BEARS S60°15'00"W 81.11' TO A POINT OF REVERSE CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE NORTHWEST, RADIUS 158.00', THE CHORD OF WHICH BEARS S53°30'00"W 160.38' TO A POINT OF REVERSE CURVE; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTHEAST, RADIUS 87.00', THE CHORD OF WHICH BEARS S45°00'00"W 109.50' TO A POINT OF TANGENT; THENCE S6°00'00"W 28.92'; THENCE S89°00'00"W 35.86'; THENCE N86°00'00"W 30.43' TO THE POINT OF BEGINNING.

II. Golf Villa Areas

No Such Area Subjected to the Declaration Upon the Initial Recording of the Original Declaration.

III. Single Family Lot Subdivision

No Such Area Subjected to the Declaration Upon the Initial Recording of the Original Declaration.

IV. Community Areas

No Such Area Subjected to the Declaration Upon the Initial Recording of the Original Declaration.

Added by the Supplemental Declaration which was recorded with the Recorder of Deeds of Jo Daviess County, Illinois on August 22, 1989 as Document No. 199069:

Plat of First Addition to Eagle Ridge Unit "R" of The Galena Territory, Jo Daviess County, Illinois, as recorded on May 11, 1989 in Plan Hold B, No. 189-B, as Instrument Number 197353. As defined in the Umbrella Declaration, the Plat of First Addition to Eagle Ridge Unit "R" is deemed "added premises", with the exception of Outlot 1, which is deemed "added community area". Walnut Hill Golf Villas #117 through 128 inclusive are deemed "added dwelling units".

Plat of Second Addition to Eagle Ridge Unit "R" of The Galena Territory, Jo Daviess County, Illinois, as recorded on July 25, 1989 in Plan Hold B, No. 197-B, as Instrument Number 198560. As defined in the Umbrella Declaration, the Plat of Second Addition to Eagle Ridge Unit "R" is deemed "added premises". Walnut Hill Golf Villas #129 through 140 inclusive are deemed "added dwelling units".

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

WALNUT HILL UMBRELLA ASSN., INC.

ARTICLE I

NAME OF CORPORATION

The name of this corporation is Walnut Hill Umbrella Assn., Inc.

ARTICLE II

PURPOSE AND POWERS

Section 2.01: **PURPOSES**

The purposes of this Umbrella 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 Umbrella 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 Walnut Hill Umbrella Association. All terms used herein shall have the meanings set forth in the Declaration.

Section 2.02: **POWERS**

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

ARTICLE III

OFFICES

Section 3.01: **REGISTERED OFFICE**

The Umbrella 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 Umbrella Association's principal office shall be maintained on the Development Area or at the office of the managing agent engaged by the Residential Association or the Umbrella 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 Dwelling 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 Dwelling 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 Dwelling Unit as the Voting Member for such Dwelling Unit. Each Voting Member shall be entitled to one vote for each Dwelling Unit in the Umbrella 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 Umbrella 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 Declaration, 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 Umbrella Association Board delivered to the Owners not less than ten (10), and not more than sixty (60), 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 Declaration, 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 Umbrella Association Board or by Voting Members representing twenty percent (20%) of the total votes, and delivered not less than ten (10), and not more than sixty (60), 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:

Notices of meetings required to be given herein may be delivered either personally or by mail to the members, addressed to such person at the address given by him to the Umbrella Association Board for the purpose of service of such notice or the Dwelling Unit of the Owner if no address has been given to the Umbrella Association Board. A notice of meeting shall include an agenda of business and matters to be acted upon or considered at the meeting.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01: IN GENERAL

The affairs of the Umbrella Association and the direction and administration of the Community Area shall be vested in the Umbrella Association 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.

Section 5.03: ELECTION

- (a) The Board shall consist of three (3) Voting Members in which one (1) member shall be designated by the Board of Directors of each Residential Association and one (1) member shall be designated by the lot owners of Eagle Ridge 27.
- (b) 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 Dwelling Units in the Umbrella

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.

- (c) Upon the adoption of the amendment to the Original By-Laws adopted on March 28, 1992, 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.

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 two 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 at least forty-eight (48) hours prior to the meeting of the Board 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 one-third (1/3) 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 Umbrella Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent;

- (b) To consider information regarding appointment, employment or dismissal of an employee; or
- (c) To discuss violations of rules and regulations of the Umbrella Association.

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

Section 5.08: 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 5.09: QUORUM

A majority of the Directors serving 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 Declaration, 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 5.10: 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 Umbrella Association for reasonable out-of-pocket expenses incurred in the course of the performance of his or her duties as a Director.

Section 5.11: 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 present and voted, either in person or by proxy, at a meeting called for the purpose of removing the Director; provided, however, that those Voting Members entitled to vote on the removal of a Director shall only be those Voting Members that are part of the class of Voting Members who were entitled to vote on the election of such Director. Any Director may resign at any time by submitting his or her written resignation to the Board, provided, however, that no Director who is a Director by reason of membership on the Board of Directors of a Residential Association may resign from the Board without also

resigning from the Board of Directors of the Residential Association. If a Director ceases to be a member of the Board of Directors of his or her Residential Association or an Owner or Voting Member, as appropriate, he or she shall be deemed to have resigned as of the date of such cessation. If the Director was elected at a meeting of Voting Members, a successor to fill the unexpired term of such a Director may be appointed by a majority of the remaining Directors at any regular meeting or a special meeting called for such purpose and any successor so appointed shall serve the balance of his predecessor's term. If the Director was a Director by reason of membership on the Board of Directors of the Residential Association, his or her successor on the Board of Directors of the Residential Association shall succeed him or her as a Director on the Board.

Section 5.12: 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 Declaration, these By-Laws, 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 Community Area 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 Community Area;
- (c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Community Area for which the Umbrella Association is responsible under the Declaration and these By-Laws;
- (d) To procure fire and extended coverage insurance and other insurance as provided for under the Declaration;
- (e) To formulate policy for the administration, management and operation of the Community Area including, without limitation, providing for and setting the rental or fee and other terms for the leasing or granting of licenses or concessions with respect to portions of the Community Area as set forth in the Declaration;
- (f) To estimate and provide each Owner with an annual budget showing the Community Expenses;
- (g) To set, give notice of, and collect Community Assessments from the Owners as provided in the Declaration;

- (h) To pay the Community Expenses;
- (i) To own, convey, encumber, lease or otherwise deal with real property conveyed to or purchased by the Umbrella Association;
- (j) To adopt and, from time to time, to amend such reasonable rules and regulations as the Board may deem advisable for the use, enjoyment, administration, management, maintenance, conservation and beautification of the Community Area, and for the health, comfort, safety and general welfare of the Owners. Written notice of any such rules or regulations or amendments thereto shall be given to all Owners affected thereby and the Community Area shall at all times be maintained and administered subject to such rules and regulations;
- (k) To delegate the exercise of its power to committees appointed pursuant to Article Seven of these By-Laws; and
- (l) To act on behalf of the Residential Associations as set forth in the Declaration.

ARTICLE VI

OFFICERS

Section 6.01: OFFICERS

The officers of the Umbrella 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 Umbrella 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 Umbrella Association and shall preside at all meetings of the members and at all meetings

of the Board and shall execute amendments to the Declaration and these By-Laws as provided in the Declaration 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 Umbrella Association and have charge of such other books, papers and documents as the Board may prescribe.
- (d) The Treasurer shall be responsible for Umbrella Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Umbrella 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 Umbrella 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 Umbrella 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 Umbrella 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 Declaration, 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 Umbrella 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 Umbrella 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 Umbrella 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 Umbrella Association shall be signed by such officer or officers, agent or agents of the Umbrella 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 Umbrella Association.

Section 8.03: BANK ACCOUNTS

All funds of the Umbrella Association not otherwise employed shall be deposited from time to time to the credit of the Umbrella 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 Umbrella Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Umbrella Association.

ARTICLE IX

FISCAL MANAGEMENT

Section 9.01: FISCAL YEAR

The fiscal year of the Umbrella Association shall be established by the Umbrella 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 furnish each Owner with a statement of the income and disbursements of the Umbrella Association for such fiscal year.

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:

Community assessments and special assessments shall be made and collected as provided in the Declaration.

ARTICLE X

BOOKS AND RECORDS

The Umbrella 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 Umbrella Association a record giving the names and addresses of the members. All books and records of the Umbrella Association may be inspected by any Owner, or his or her mortgagee, agent or attorney, for any proper purpose at any reasonable time.

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 Umbrella 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 more than two-thirds (2/3) of the total votes,

provided that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration.

END OF TEXT OF BY-LAWS

This instrument was prepared by:

KEAY & COSTELLO, P.C.
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Wheaton, Illinois 60187