

UMBRELLA DECLARATION
WALNUT HILL PROPERTY OWNERS' ASSOCIATION

This Declaration is made by THE BRANIGAR ORGANIZATION, INC., an Illinois corporation ("Branigar").

RECITALS

Branigar is the Record title holder of the real estate legally described on Exhibit A hereto (the "Premises"). The Premises shall be part of a phased residential development to be built by Branigar in The Galena Territory called "Walnut Hill" (the "Development"). The Development shall include detached as well as attached residences of various types, parking areas, green space, walkways, driveways and recreational facilities.

Branigar hereby subjects the Premises to the provisions of this Declaration. From time to time Branigar may add other real estate to the Premises as more fully provided in Article Nine; provided, however, that the total number of Dwelling Units which may be subjected to this Declaration shall not exceed One Hundred Thirty (130). Nothing in this Declaration, however, shall be construed to require Branigar to add other real estate to the Premises; provided, however, that other real estate consisting of recreational facilities in the nature of a swimming pool and bath house shall be constructed by Branigar and added to the Premises on or before June 30, 1990.

Branigar shall designate portions of the Premises or Added Premises as being "Community Area." Such designation shall be by legal description attached to or made part of the legal description shown on Exhibit A or any amendment or supplement thereto. The Community Area shall be maintained for the common use and enjoyment of all Residents. Each Owner of a Dwelling Unit shall be assessed to pay its share of the cost of the maintenance of the Community Area.

To provide for the orderly and proper administration and maintenance of the Community Area, Branigar shall form an Umbrella Association. The Umbrella Association shall have the responsibility for administering and maintaining the Community Area and shall set budgets and fix assessments to pay the expenses incurred in connection with such duties. The administration and maintenance of the Community Area by the Umbrella Association shall at all times be subject to this Declaration and all of the rights and easements provided for the Owners in this Declaration.

NOW, THEREFORE, Branigar hereby declares as follows:

ARTICLE ONE
Definitions

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

1.01 BUILDING: That portion of the Premises which is improved with a structure containing residential living units, including the structural components thereof.

1.02 BY-LAWS: The By-Laws of the Umbrella Association.

1.03 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.

1.04 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.

1.05 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.

1.06 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.

1.07 COUNTY: Jo Daviess County, Illinois, or any successor thereto.

1.08 DECLARATION: This instrument with all Exhibits hereto, as amended or supplemented from time to time.

1.09 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.

1.10 FIRST MORTGAGE: A bona fide first mortgage, first trust deed or equivalent security interest covering a Dwelling Unit.

1.11 FIRST MORTGAGEE: The holder of a First Mortgage.

1.12 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.

1.13 PERSON: A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.14 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.

1.15 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.

1.16 RECORD: Recorded in the Office of the Recorder of Deeds for the County.

1.17 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 shall be no Recreational Facilities designated upon the initial Recording of this Declaration. Except as set forth in the second full paragraph of the RECITALS on page one (1) of this Declaration, the construction, character and extent of any Recreational Facilities will be determined by Branigar in its sole discretion.

1.18 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.

1.19 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.

1.20 TURNOVER DATE: The date on which any one of the following shall first occur:

(a) 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;

(b) The expiration of five (5) years from the date of Recording hereof; or

(c) The date designated in written notice from Branigar to each Owner as being the Turnover Date pursuant to Section 6.05.

1.21 UMBRELLA ASSOCIATION: The Walnut Hill Umbrella Association.

1.22 UMBRELLA ASSOCIATION 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.

ARTICLE TWO
Scope of Declaration

2.01 PROPERTY SUBJECT TO DECLARATION: Branigar, as the owner of fee simple title to the Premises, expressly intends to and by Recording this Declaration, does hereby subject the Premises to the provisions of 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.

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.

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

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.

3.02 RECREATIONAL FACILITIES: Upon the initial Recording of this Declaration no Recreational Facilities will have been constructed or made subject to this 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 this Declaration, 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.

3.03 ACCESS EASEMENT: Each Owner shall have a nonexclusive perpetual easement for ingress to and egress from his 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.

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, 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

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

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.

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

6.01 IN GENERAL: Branigar may, and any Umbrella Association Board shall, have the right without approval of the Owners to cause 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 binding on all Owners and their respective successors and assigns.

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.

6.03 OWNER VOTING RIGHTS: Prior to the Turnover Date, all of the voting rights of the Owners at any meeting of the members of the Umbrella Association or otherwise shall be vested exclusively in Branigar, and Owners other than Branigar shall have no voting rights. From and after the Turnover Date, 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. From and after the Turnover Date 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.

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. Until the Umbrella Association is incorporated or the Turnover has occurred, as set forth in Section 6.05, the same rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon said Board by this Declaration, any Articles of Incorporation, the By-Laws, or the Illinois Not-For-Profit Corporation Act, shall be held and performed by Branigar. Upon incorporation of the Umbrella Association or upon the Turnover of the Umbrella Association, pursuant to Section 6.05, said Board shall consist of at least three (3) Directors.

6.05 BRANIGAR'S RIGHTS: Notwithstanding any of the other provisions of this Declaration or of the By-Laws to the contrary, until the Turnover Date, the first and all subsequent Umbrella Association Boards shall consist solely of those persons designated by Branigar, which persons may but need not be Owners. From and after the Turnover Date, the Owners shall elect a new Umbrella Association Board pursuant to the terms of this Section and the then existing By-Laws (hereinafter referred to as the "Initial Election"). The Initial Election shall be called and held in one of the two following manners:

- (i) Branigar shall have the right to notify all Owners of the meeting for the Initial Election. Said notice shall state the time, place, reason for meeting, and any other information which Branigar wishes to communicate to the Owners. Said notice shall be sent no less than one (1) month, but no more than six (6) months, prior to the date the meeting is to be held. The cost of mailing said notices shall be a Community Expense and shall be paid for by the Umbrella Association.

- (ii) If, Branigar does not call the meeting for the Initial Election within three (3) months of the termination of Branigar's right to designate Directors, any Owner in the Umbrella Association shall have the right to call the said meeting by giving notice to all of the Owners of the Umbrella Association and Branigar as set forth in subsection (i), above. Notice to Branigar shall be sent by certified mail, postage prepaid, return receipt requested, to the address of the sales office located on any property subject to The Galena Territory Declaration, and if none, then to the registered agent of Branigar as set forth in the records of the Illinois Secretary of State.
- (iii) In order to insure an orderly and systematic procedure for the of Initial Election, the following procedures shall be followed:
- (1) If Branigar calls the meeting pursuant to subsection (i), above, and if any of the Directors appointed by Branigar still hold office, these Directors shall conduct the meeting. In the alternative, if all of the Directors appointed by Branigar have either resigned or been removed, the meeting shall be conducted by a corporate officer or other person designated by Branigar.
 - (2) If the meeting is called pursuant to subsection (ii), above, then the person calling said meeting shall be designated the chairman of the meeting, and shall serve in that capacity until the election of the new Umbrella Association Board. If none of the individuals so named are in attendance at the meeting, then the Owners in attendance shall immediately elect a temporary chairman and secretary to conduct the election and record the minutes thereof.
 - (3) For the Initial Election only, the three individuals receiving the highest number of votes shall be deemed to be elected and shall serve on the Board until the next annual meeting. Subsequent elections shall be pursuant to the By-Laws.
- (iv) The method of notification, voting and conduct of the Initial Election shall be utilized only for the purposes of calling, holding and conducting the Initial Election and shall not be construed or interpreted as expanding or limiting any other provision of this Declaration or the By-Laws. All prior and subsequent meetings shall be governed by the other appropriate provisions of this Declaration and the By-Laws.

6.06 REPRESENTATION ON THE UMBRELLA ASSOCIATION BOARD:

For purposes of the Initial Election and all subsequent 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.

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.

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

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.

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.

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).

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.

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.

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.

7.07 LIMITATION ON ANNUAL ASSESSMENTS: Branigar shall pay all costs incurred in connection with the operation of the Umbrella Association, excluding contributions for Reserves, through the last day of the month during which the swimming pool and bath house referred to in the second full paragraph of the RECITALS on page one (1) of this Declaration becomes ready for use by the Owners. Thereafter, Branigar shall continue to pay thru December 31, 1990, the difference, if any, between all such costs and the sum of Community Assessments equal to no more than Twenty Dollars (\$20.00) per month times the number of Dwelling Units sold by Branigar and subjected to this Declaration. Commencing on January 1, 1991, the Umbrella Association shall pay all such costs without further subsidy from Branigar. 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.

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

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.

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.

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

9.01 IN GENERAL: Branigar reserves the right at any time and from time to time prior to ten (10) years from the date of Recording of this Declaration, but shall not have the obligation except as set forth in the second full paragraph of the RECITALS on page one (1) of this Declaration, to make portions of the Possible Additional Development Area legally described on Exhibit B hereto part of the Premises, by Recording a supplement to this Declaration (a "Supplemental Declaration"), as hereinafter provided. Any portion of the Possible Additional Development Area which is made a part of the Premises by a Supplemental Declaration shall be referred to as "Added Premises"; any portion of any Added Premises which is made part of the Community Area shall be referred to as "Added Community Area"; and any Dwelling Units contained in the Added Premises shall be referred to as "Added Dwelling Units".

9.02 POWER TO AMEND: Branigar hereby retains and reserves the right and power to Record a Supplemental Declaration at any time and from time to time as provided in Section 9.01, which amends or supplements Exhibit A. Exhibit A may only be amended or supplemented pursuant to this Article to make portions of the Development Area part of Exhibit A and shall not be amended to reduce or remove any real estate which is described in Exhibit A immediately prior to the Recording of such Supplemental Declaration. A Supplemental Declaration may contain such additional provisions affecting the use of the Added Premises or the rights and obligations of owners of any part or parts of the Added Premises as Branigar deems necessary or appropriate; provided, that, in the event of conflict between any such additional provisions and the provisions in this Declaration as originally Recorded then the provisions of this Declaration as originally Recorded shall govern.

9.03 EFFECT OF SUPPLEMENTAL DECLARATION: Upon the Recording of a Supplemental Declaration by Branigar which annexes and subjects to this Declaration Added Premises as provided in this Article, then the following shall apply:

(a) The easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges set forth and described herein with respect to the Premises shall run with and bind the Added Premises and inure to the benefit of and be binding on any Person having at any time any interest or estate in the Added Premises in the same manner, to the same extent and with the same force and effect that this Declaration applies to the Premises, and such Persons prior to the date of the Recording of the Supplemental Declaration;

(b) Every Owner of an Added Dwelling Unit shall be a member of the Umbrella Association on the same terms and subject to the same qualifications and limitations as those members who

are Owners of Dwelling Units immediately prior to the Recording of such Supplemental Declaration;

(c) In all other respects, all of the provisions of this Declaration shall include and apply to the Added Premises (including the Added Community Area or the Added Dwelling Units, if any) made subject to this Declaration or designated by any such Supplemental Declaration and the Owners, mortgagees, and lessees thereof, with equal meaning and of like force and effect and the same as if such Added Premises were subjected to this Declaration at the time of the Recording hereof;

(d) The Recording of each Supplemental Declaration shall not alter the amount of the lien for any Charges made to a Dwelling Unit or its Owner prior to such Recording;

(e) Branigar shall have and enjoy with respect to the Added Premises all rights, powers and easements reserved by or to Branigar in this Declaration, plus any additional rights, powers and easements set forth in the Supplemental Declaration; and

(f) Each Owner of an Added Dwelling Unit which is subject to assessment hereunder shall be responsible for the payment of the Community Assessment pursuant to Section 7.02(e) but shall not be responsible for the payment of any special assessment which was levied prior to the time that the Added Dwelling Unit became subject to assessment hereunder.

ARTICLE TEN

Branigar's Reserved Rights and Special Provisions Covering Development Period

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 control title to any portion of the Possible Additional Development Area.

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.

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.

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).

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

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.

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 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.

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 Association shall have a lien for all the same upon his Dwelling Unit, as provided in Section 6.01.

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

12.01 SPECIAL AMENDMENTS: Anything herein to the contrary notwithstanding, Branigar hereby reserves the right and power to Record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage

Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with First Mortgages covering Dwelling Units, (iii) to correct errors in this Declaration or any Exhibit thereto, or (iv) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Branigar to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to Branigar to make, execute and Record Special Amendments. The right and power to make Special Amendments hereunder shall terminate on the Turnover Date.

12.02 AMENDMENT: Subject to Section 12.01 and 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 12.02 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

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.

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.

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.

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.

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.

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.

DATED: December 15, 1988

THE BRANIGAR ORGANIZATION, INC.,

By: *M. C. Chalmers*
Vice President

Attest:

Genevieve M. Rowe
Assistant Secretary

0004.WAL

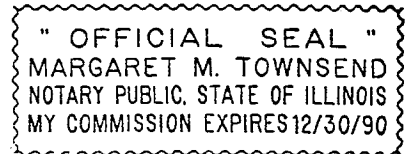


STATE OF ILLINOIS)
) SS.
COUNTY OF JO DAVIESS)

I, Margaret M. Townsend, a Notary Public in and for said County and State, do hereby certify that A.J. Cechvala and Genevieve M. Rowe, Vice President and Assistant Secretary, respectively, of The Branigar Organization, Inc., personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 15th day of December, 1988.

Margaret M. Townsend
Notary Public



THIS INSTRUMENT PREPARED BY:

David E. Zajicek
KECK, MAHIN & CATE
One Mid America Plaza
Suite 1000
Oakbrook Terrace, IL 60181
(312) 954-2100

EXHIBIT A

UMBRELLA DECLARATION

WALNUT HILL PROPERTY OWNERS' ASSOCIATION

The Premises

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 This Declaration Upon Initial Recording Hereof

III. Single Family Lot Subdivision

No Such Area Subjected To This Declaration Upon Initial
Recording Hereof

IV. Community Areas

No Such Area Subjected To This Declaration Upon Initial
Recording Hereof

EXHIBIT B

UMBRELLA DECLARATION

WALNUT HILL PROPERTY OWNERS' ASSOCIATION

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.