

BLOOMFIELD CLUB

RECREATION ASSOCIATION

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

THIS DECLARATION, made this 1st day of November , A.D. 1988 , by THE HOFFMAN GROUP, INC., a Delaware corporation and AHMANSON DEVELOPMENTS, INC., a California Corporation (hereinafter, together with their successors and assigns, collectively called “Developer”).

WITNESSETH:

WHEREAS, Developer is the owner, or contract purchaser of the real property described in Article II of this Declaration and desires to create on portions thereof from time to time a residential community of single family homes and town homes with common open spaces, and common recreational and social facilities for the benefit of said community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said open spaces and common recreational and social facilities; and to this end, desires to subject, from time to time, portions of the real property described in Article II to the covenants, restrictions, easements, charges and liens, hereinafter set forth (the “Covenants”); and

WHEREAS it is the intent of the Developer that no portion of the real property referred herein be subject to these covenants, conditions and restrictions until such time as Developer and the owner of record specifically declare such portions of said real property in Article II to be included in these Covenants by recording a duly executed

written instrument (hereinafter referred to as a “Supplemental Declaration”) specifically declaring and describing such portions to be subject to these Covenants; and

WHEREAS, upon recording of such Supplemental Declaration each and all of the Covenants contained herein shall attach to and constitute covenants running with the land as to such portions of property described in said instrument at the time of such specific declaration and not before; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community to create an entity to which should be delegated and assigned the powers of maintaining and administering and enforcing the Covenants and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has caused or will cause to be incorporated under the laws of the State of Illinois, as a not-for-profit corporation, BLOOMFIELD CLUB RECREATION ASSOCIATION for the purpose of exercising the functions aforesaid:

NOW THEREFORE, Developer declares that when it and the owner of record make specific declarations, in the manner aforesaid and referring expressly to these Covenants, regarding portions of the real property described in Article II, such portions of real property shall be held, transferred, sold, conveyed and occupied subject to these Covenants.

ARTICLE I.

DEFINITIONS

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

Association: BLOOMFIELD CLUB RECREATION ASSOCIATION, an Illinois not-for-profit corporation, its successors and assigns. For purpose of these Covenants, references to the Association or its Board of Directors shall mean the Developer until such time as the Association is formed.

Berm Easement: That area designed as a “berm easement” on Exhibit “A” attached hereto and made part hereof.

Common Areas: All those portions of the property described in Article II which are:

- (i) designated as Common Areas, open space or outlots on the plats of subdivision for the property;
- (ii) trees, shrubs, and other landscaping located within the Berm Easement;
- (iii) entry monuments, concrete walks, walls, and landscaping (whether located on private property or dedicated to a public body) as depicted on the Landscape Plan prepared by Otis & Associates, and on file with the Village; or
- (iv) fencing installed by the Developer;

but specifically excluding the private cul-de-sacs serving the single-family homes as designated on the subdivision plat for the Community.

Common Facilities: All buildings, improvement and fixtures situated on or in the Common Areas and owned by the Association including, but not limited to, Clubhouse, pool, tennis courts, street lights in the entry drive median, entry monuments and/or gatehouse, fences, pavings, brick pylons and portals (including project signage) ground and carriage lights and all personal property owned by the Association.

Community: The real property described in Exhibit "B" attached hereto and made a part hereof.

Developer: THE HOFFMAN GROUP, INC., a Delaware corporation and AHMANSON DEVELOPMENTS, INC., a California corporation, each licensed to do business in the State of Illinois, their agents, successors and assigns.

Eligible Mortgage Holder: A holder of a first mortgage on a Unit that has requested the Association notify it on any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

First Mortgagee: The holder of any recorded first mortgage lien on one or more Units.

Owner: The record owner, whether one or more persons or entities and including the Developer where applicable, of the fee simple title to any Unit situated in the Community. Owner shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding or transfer in lieu of foreclosure.

Unit: A platted lot.

Village: The Village of Bloomingdale.

ARTICLE II.

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THEREOF

The real property, from which the Developer and the owner of record may from time to time declare portions to be specifically included in this Declaration and thereby be held, transferred, sold, conveyed and occupied subject to these Covenants is located in DuPage County, State of Illinois, and is more particularly described on Exhibit "B" attached hereto, all of which real property shall hereinafter be referred to as "Existing Property."

The portions of the Existing Property described in Exhibit "C" attached hereto, are hereby specifically declared to be subject to this Declaration and included within the Covenants effective upon the recording of this Declaration.

Additional portions of the Existing Property may, from time to time within the period of seven (7) years from the date of this Declaration and at the option of the Developer, be annexed hereto and made subject to this Declaration and the Covenants by the Developer and the owner of record thereof pursuant to a supplemental Declaration, effective upon recording of such Supplemental Declaration without the consent of the Association or the Owners.

All improvements intended for future phases will be substantially completed prior to annexation and will be consistent with the initial improvements in terms of quality of construction.

ARTICLE III.

BUILDING AND USE RESTRICTIONS

Section 1. Building and Uses. The Community is hereby restricted to residential dwellings, including single-family detached houses and townhomes and ancillary and accessory uses and buildings in connection therewith, including but not limited to the Common Facilities. Except with regard to the Developer, all buildings or structures erected in the Community shall be of a new construction, no buildings or structures shall be moved from other locations to the community and no subsequent building or structures other than single-family detached houses and townhomes shall be built on any Unit where the Developer has theretofore constructed a building. Construction of additions to the townhomes shall be prohibited. No building or structure of a temporary character, trailer, basement, tent, shack, shed, garage, barn, or other outbuilding shall be used on any Unit at any time as a residence either temporarily or permanently. No sheds shall be placed on any Unit at any time. No facilities, including poles and wires, for the transmission of electricity telephone messages and the like shall be placed on or maintained above the surface of the ground on any Unit, and no external or outside antennas of any kind, including but not limited to, receiving satellite dishes of any kind shall be permitted or maintained on any Unit. The preceding sentence shall not preclude the installation of above ground transformers, pedestals, meter panels, or other appurtenances which may be required as normal to the installation of underground gas, telephone, electricity, water, cable television and communications equipment transmission systems installed by public utility companies, the village or its licensed

franchisees in easements reserved for such purposes nor shall it prohibit standards or poles or street or other outdoor lighting.

Section 2. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Unit except for dogs, cats, or other household pets kept for other than commercial purposes.

Section 3. Trash Removal and Screening. Subject to the provisions of Article IV relating to Architectural Control, all clotheslines, equipment, garbage cans, service yards, woodpiles, and storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring Units and streets. All rubbish, trash, and garbage shall be regularly removed from the Community and shall not be allowed to accumulate thereon. In the event the village has by franchise license or other contractual arrangement granted the exclusive rights to provide trash removal services throughout the village to any entity, such entity shall have the right to remove trash from the community for such fees as are uniformly charged by the village for such services throughout the Village. The foregoing restrictions shall not apply to the activities of Developer, its designees and those working for or on behalf of Developer during construction and sales periods.

Section 4. Garages. Garage doors shall be kept closed at all times when not in use for purposes of removing or installing cars or equipment or for purposes of cleaning and maintenance.

Section 5. Berms and Screen Plantings. The berms and screen plantings within the Berm Easement shall not be added to, removed, altered or otherwise changed by an Owner. No Owner shall make or install any improvements of any type on or within the

Berm Easement except as expressly permitted in Section 6 below. All maintenance of the Berm Easement shall be the responsibility of the Association except as provided below, and shall be maintained in accordance with the plans therefore approved by the Village.

Section 6. Fences. Fences, other than fencing installed by Developer in connection with its development of the community shall be prohibited on all Units except the following: Lots 1, 2, 3, and 4, in Bloomfield Club Unit One, and Lots 5 through 48, both inclusive, 50 through 64, both inclusive, and 68 through 76, both inclusive, in Bloomfield Club Unit Four.

Section 7. Commercial Activities, Nuisances. No advertising signs, billboards, objects of unsightly appearance or nuisances shall be erected, placed or permitted to remain on any Unit, nor shall any Unit be used in any way or for any purpose which may endanger the health or unreasonably disturb the residents or the Community except that no more than one (1) "for sale" sign or "for rent" sign of not more than four (4) square feet shall be maintained on any Unit and no such signs shall be permitted or the site of such signs shall be limited if the ordinances of general applicability of the Village of Bloomingdale so provide. No commercial activities of any kind whatsoever shall be conducted on any building or on any portion of the community except activities intended primarily to service residents in the Community. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Developer or its designees, or the use or operation of sales offices or models on any Units by the Developer or its designees during the construction and sales period or by the Association

in furtherance of its powers and purposes set forth hereinafter and in its Articles of Incorporation and By-Laws, as the same may be amended from time to time.

Section 8. Changes or Improvements to Townhome Units. Any additions, changes or improvements to any townhome Unit, changes in colors of exterior townhome surfaces or any part thereof (including roofs, siding, doors, storm doors, windows, trim or window air conditioning units), the place of any patios or decks on the rear portion of any townhome Unit by any Owner other than Developer or the planting of any trees, decorative shrubs or other landscaping on townhome Units shall be allowed only with the approval of the Architectural Committee referred to herein. All fireplace chimneys shall be of brick construction.

Section 9. Maintenance of Easement Areas. Easements for installation and maintenance of the utilities, sewer pipelines and facilities and drainage facilities over each of said Units, and all pipelines and other facilities located and to be located in said easements are reserved as shown on the recorded Plat of Subdivision or as created with this Declaration of Covenants, Conditions and Restrictions or any amendments hereof. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction in the flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Unit and all improvements in it shall be maintained continuously by the Owner of the Unit, except for those improvements for which a public authority, a private or public utility company or the Association is responsible.

Section 10. Recreational Vehicles, Boats, Trailers, Trucks, Storage of Vehicles.

The parking of recreational vehicles, boats, trailers or trucks, or the storage of vehicles shall be in enclosed garage areas and shall not be permitted in open areas.

ARTICLE IV.

ARCHITECTURAL CONTROL COMMITTEE

No exterior additions or alterations to any building in the community, or changes or removal of fences, trees, hedges, walls, and other structures, shall be commenced, erected, placed, altered or maintained, except such as are installed by the Developer in connection with the initial construction of the buildings in the Community, until the building plans and specifications and plot plan, or landscaping plan or description of any landscaping, showing the nature, kind, shape, heights, materials, locations, and approximate cost of same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding buildings in the Community by an Architectural Committee composed of the Board of Directors of the Association, or by a representative or representatives designated by the Committee. The Committee shall notify the applicant of such approval or disapproval of its action within sixty (60) days after said building plans and specifications and plot plan, or landscaping plan or description thereof have been submitted to the Committee. In the event the Committee has not notified an applicant of its disapproval within said sixty (60) day period, such action shall be deemed approved, and this covenant shall be deemed fully complied with. No member of the Architectural Committee or its designated representative shall be entitled to compensation for themselves for services performed pursuant to this covenant, but compensation may be allowed to independent professional

advisors retained by the Architectural Committee. Nothing contained herein and no action taken by the Architectural Control Committee shall relieve any applicant from obtaining any required building permits from the Village of Bloomingdale or from complying with the ordinances of the Village. In addition, any exterior addition or alteration or change or removal of fences, trees, hedges, walls, and other structures shall be consistent with and not in violation of the Ordinance(s) of the Village of Bloomingdale, including, but not limited, to Ordinance No. 88-5, approving the development plans and the Anti-Monotony Code submitted by the Developer for the luxury single-family homes for the Community.

ARTICLE V.

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Unit in a portion of the Community, and which portion of the community is by appropriate Declaration in the manner hereinbefore described included within these Covenants shall be a member of the Association and said membership shall be appurtenant to said Unit, and each purchaser of any Unit by acceptance of a deed therefore covenants and agrees to be a member of the Association whether or not it shall be so expressed in any such deed or other conveyance, provided that such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. Membership shall be expanded from time to time to the extent of the number of Units within a portion of the Existing Property when such portion is by Declaration included within these Covenants and thereby included within the Community.

Section 2. Membership Classes. The Association shall have two classes of voting membership may have one class of non-voting membership:

Class A. Class A members shall be all those Owners as define in Section 1 with the exception of the Developer. Class A member shall be entitled to one vote for each unit in which they hold the interest required for membership by Section 1.

When more then one person holds such interest in any Unit, all such person shall constitute one member. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more then one vote be cast with respect to any Unit.

Class B. The Class B member shall be Developer. The Class B member shall be entitled to three (3) votes for each Unit in which it holds the interest required for membership by Section 1, provided that the Class B membership shall close and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- A) When the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership, or
- B) Three (3) years after the first Unit is conveyed to a member.

Class C. By action of its Board of Directors, the Association may create a non-voting Class C membership. Class C membership may be sold to such a member of the public, as Board of Directors shall determine from time to time. The amount of dues to be paid by Class C members shall be determined by the Board of directors. Such memberships will be for a period of one year, will be renewable only with the consent of the board of Directors and will entitle Call C members to use of such Common Facilities as the Board of Directors shall determine. The income derived from Class c membership is to be

collected by the Association and used exclusively to defray the costs of the operation of the Common Facilities. To the extent of such income to be applied, the Board of Directors may reduce the annual assessment of Class A and B members. Class C members shall have only those privileges stated above, and shall have no other rights or privileges of Class A or B members. The total numbers of Class C memberships effective at any time shall not exceed the total numbers of Class A memberships effective at such time.

Section 3. Transfer of Membership. Membership held by any Owner of a Unit is an Appurtenance to such Unit and shall not be transferred, alienated, or pledged in any way, except upon the sale or encumbrance of such Unit, and then only to the purchaser of such Unit. Any attempt to make a transfer except by the sale or encumbrance of a Unit is void. Reference to transfer of membership need not be made in an instrument of conveyance or encumbrance of such Unit for the transfer to be effective, and the same shall automatically pass with title to the Unit.

ARTICLE VI.

COVENANT FOR CAPITAL CONTRIBUTIONS

AND MAINTENANCE ASSESSMENTS

Section 1. Creations of Lien and Personal Obligation of Capital Contributions

Assessments. Developer, if and to the extent provided in Section 11 of this Article, and each purchaser of any Unit by acceptance of a deed or other instrument of conveyance therefore, whether or not it shall be so expressed in any deed or other instrument of conveyance, hereby covenants and agrees, for himself, his heirs, personal representatives, successors and assigns, to pay to the Association: (a) annual assessments or charges,

payable monthly; (b) special assessments for payment of excess real estate taxes (as provided in Section 3 of this Article; and (c) Capital contributions (described in Section 4 of this Article). Such contributions and assessments are to be fixed, established and collected from time to time as hereinafter provided. Such contributions and assessments (or installments of either), together with such interest thereon, late charges, attorney's fees and costs of collection thereof as are hereinafter provided, when due and not fully paid shall be a charges on land, and shall be lien upon the property against which each call for such contributions or assessments (or installment of either) is made until the same shall be paid in full. Each such capital contributions or assessments (or installment of either), together with such interests thereon, late charges, attorney's fees and cost of collection thereof as are hereinafter provided, shall also be the personal obligation of the person who is the owner of such property at the time when such contribution or assessment (or installments of either) falls due.

Upon the initial conveyance of each Unit from Developer to a purchaser, the purchaser shall establish an assessment deposit with the Association, in an amount equal to three (3) times the then current monthly assessment for such Unit. The assessment deposit shall not be refunded to purchaser upon a subsequent conveyance unless and until the party to whom purchaser conveys deposits a like amount with the Association. The foregoing shall apply to all subsequent conveyances of the Unit so that a three (3) month assessment deposit shall be held by the Association at all times as to each Unit, so long as these Covenants are in affect.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare and

enjoyment of the Community, and in particular for the maintenance of the Berm Easement, the Common Areas, and Common Facilities and properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Berm Easement, the Common Areas, and Common Facilities including, but not limited to, the payment of real estate taxes on the Common Areas, the payment of liability, casualty, worker's compensation, and fidelity insurance premiums and such other insurance premiums as may be deemed necessary from time to time on the Common Areas and/or the Common Facilities, and the payment of interest, the cost of maintenance, up-keep and repair of the Berm Easement, the Common Areas and/or the Common Facilities, and the cost of labor, management, supervision and operation necessary or desirable for the use and enjoyment of the Berm Easement, the Common Areas and Common Facilities, and to provide funds for the Association to carry out its duties set forth herein or in its Articles of Incorporation or By-Laws.

Section 3. Assessments. From the date any Unit becomes subject to this Declaration and until the calendar year beginning January 1, 1989, the annual assessment shall be not more than Sixty and 00/100 Dollars (\$60.00) per Unit. On and after January 1, 1989, for each succeeding year, on an annual basis, the annual assessment may be increased by vote of the Owners of the Association, as provided in Section 5 of this Article.

In the event the annual assessment is not increased by vote of the members of the Association, as provided in Section 5 of this Article, this assessment may be increased effective the first day of January of each year on and after January 1, 1989, by action of

the Board of Directors of the Association and without the necessity for a vote of the Owners.

Prior to the transfer of control of the Association from the Developer to the Unit Owners, each Unit Owner shall pay the annual assessment for his Unit established by the Developer in the Association's estimated budget. If during such period, the actual expense of the Association exceeds the amounts established in the estimated budget, the Developer shall be responsible for the amount of such excess.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at an amount more or less than the annual assessment established in accordance with this Article.

If taxes on real estate owned by the Association, as shown by the tax bills received by the Association each year, shall exceed the amounts estimated for such taxes in the budget previously used in determining the annual assessment for such year, the Board of Directors may, without the assent of the members, cause the Association to levy a special assessment to provide funds for payment of such increase in taxes, in such manner and time or times as the Board of Directors shall determine.

Monies received by the Association pursuant to this Section shall be deposited in the general account of the Association.

In the event that the sum of the annual and special assessments for any calendar year shall exceed the Association's expenses including reserves for such calendar year, the Board of Directors shall cause the Association either to return the amount of such excess assessments to the members of the Association promptly after the end of such

calendar year or to apply the amount of such excess against the members' annual assessments for the next following calendar year. Any such excess assessments which the Board of Directors elects to return to the members shall be returned to those persons who are members of the Association on the last day of the calendar year in which such excess arose. For purposes of this Section 3, the Association's expenses for a calendar year shall be conclusively deemed to equal the expenses reported on the Association's federal income tax return for such calendar year. The Association shall establish and maintain from annual assessments collected hereunder, reasonable reserves for the costs of maintenance, repair and replacement of the Berm Easement, the Common Areas and Common Facilities or any improvements or Landscaping therein which are the obligation of the Association hereunder.

Section 4. Capital Contributions. In addition to the annual and special assessments authorized by Section 3 of this Article, The Board of Directors may (and in the case of inadequate reserves for replacement of improvements to the Berm Easement or the Common Areas, or Common Facilities shall) cause the Association to require, from time to time on at least thirty (30) days advance written notice to all members, a capital contribution to the Association (which may be payable in installments if so designated by the Board of Directors and, in the case of capital contributions for the replacement of improvements to the Berm Easement for the Common Areas or Common Facilities, shall be payable in monthly installments), for the purpose of (a) paying capital expenditures, including (without limitation), the cost of any construction or reconstruction, alteration or replacement of one or more capital improvements upon the Common Areas or Common Facilities, the cost of the necessary fixtures and personal

property related thereto, and the cost of acquisition or replacement of any major specified item or items or personal property owned or to be owned by the Association, or (b) making principal payments on loans made to the Association, or (c) providing the Association with working capital as reserves against future expenses, or (d) providing funds to cover losses incurred by the Association. Notwithstanding the foregoing, such capital contributions may not be levied without the assent of two-thirds (2/3) of the votes of each class of voting membership in the Association, cast in person or by proxy at a meeting duly called for this purpose, written notice of which shall be given to all voting Owners at least thirty (30) days in advance and which shall set forth the purpose of the meeting.

The purpose(s) of each capital contribution shall be specified in the aforementioned notice and all monies received by the Association in payment of the capital contributions referred to in this Section 4 shall be segregated from all other monies of the Association in a separate bank account or other investment approved by the Board of Directors, to be held by the Association and identified as being for funds for the purpose called for in the said notice to membership.

Section 5. Change in Assessments by Action of the Membership. Subject to the limitations of Section 3 of this Article, for the calendar year 1989 and for each annual period thereafter, the Association may, notwithstanding any action or inaction by the Board of Directors, change the annual assessment fixed pursuant to said Section 3 prospectively for any such period, provided that any such change shall have the consent of a majority of the votes of each class of the voting Owners of the Association, cast in person or by proxy at a meeting duly called for this purpose, written notice of which shall

be given to all voting Owners at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 6. Quorum for Actions under Sections 4 & 5. The quorum required for any action authorized by Sections 4 and 5 of this Article shall be as follows: At the first meeting called, as provided in said Sections 4 and 5, the presence at such meeting of Owners of the Association, or of proxies, entitled to cast sixty (60) percent of all of the votes of each class of voting members shall constitute a quorum. If the required quorum is not forthcoming at such meeting, another meeting may be called, subject to the notice requirement set forth in said Sections 4 and 5 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the immediately preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the date of the immediately preceding meeting.

Section 7. Date of Commencement. The annual assessments provided herein shall commence as to each Unit in any portion of the Existing Property which by declaration has been brought under these Covenants on the first day of the calendar month following said declaration, subject to the provisions of Section 11 of this Article. The annual assessment shall due and payment in equal monthly installments to be paid each month in advance, on or before the first day of the month commencing on the first day of January of the year for which the assessments is levied, unless the Board of Directors designates another form of periodic payments.

The amount of the annual assessments which may be levied for the balance remaining in the first calendar year of assessments against a Unit shall be an amount which bears the same relationship to the annual assessments provided for in Section 3 of

this Article for such years as the remaining numbers of months in that calendar year bears to twelve (12).

The due date of any special assessments or capital contributions under Section 3 or Section 4 hereof respectively (and whether or not such assessments, or capital contribution, shall be payable in installments) shall be fixed in the resolution authorizing such assessments.

Section B. Duties of Board of Directors as to Assessments.

At least thirty (30) days in advance of the due date for any capital contributions assessed pursuant to Section 4 above, or annual or special assessments of the first installment of such contributions or assessments, the Board of Directors of the Association shall fix the amount of such contributions or Assessment against each Unit. Subject to the provision of Section 11 of this Article any such contribution or assessment shall be allocated equally among each Unit subject to this Declaration; provided, however, that nothing herein contained shall be deemed to restrict the remedies available to the Association against any particular Unit or Unit Owner (s) in the event of non-payment of contributions or assessments when due, or for costs assessed to Unit Owner (s) as a result of willful or negligent acts of Owners (s), their family, guests or invitees. The Board shall prepare a roster of the Units and capital Contributions and assessments applicable thereto which shall be kept in the office of the Association and such roster, as well as the other books and records of the Association, shall be open to inspection by any Owner of First Mortgage. Written notice of the assessment or capital contributions, or both, shall thereupon be sent to every Owner and First Mortgage subject thereto. The Board of Directors may, in its discretion, designate a form of periodic payments. The Board of

Directors may also, in its discretion, designate and retain any agents to collect such capital contributions and assessments on behalf of the Associations, to whom payments of such contributions and assessments shall be made.

Section 9. Non-Payment. If the capital contributions or assessments (or any installments or either) are not paid on the date when due (being the dates specified in Section 7 thereof), they shall be deemed delinquent, and such delinquent contribution, assessment or installment of either shall, together with such interest thereon and the cost of collection thereof as are hereinafter provided, thereupon become alien on the Unit of the delinquent Owner which shall bind such owner, his heirs, devisees, personal representative and assigns and the Association shall have the right to record in the DuPage County Recorder's Office, a notice of lien upon the Unit of the delinquent Owner. The personal obligation of the owner to pay such capital contribution or assessment however, shall remain his personal obligation for the statutory period and shall not pass to his successor in title unless expressly assumed by them. Sale or transfer of any Unit shall not affect the continuing lien on such unit for the amount of any unpaid capital contributions or assessments (or installment of either).

If a capital Contribution or assessments (or installment of either) is not paid within thirty (30) days after the due date thereof, such contribution, assessments or installment shall bear interest from such due date at the highest rate permitted by Illinois law, and the Association, or its collecting agent designated by the Board of Director, may bring any legal action against the Owner personally obligated to pay the same and/or to execute or foreclose upon the Association's lien against the delinquent Owner's Unit, and there shall be added to the amount of such contributions, assessments or installment the

cost of preparing and filing the complaint, such judgment shall include interest on the contributions or assessments as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action. In addition thereto, the Association may deny to the Delinquent Owners the use and enjoyment of any of the Common Areas and Common Facilities used for recreation, except the right to use for ingress and egress to and from the Owner's Unit (which right shall be perpetual and pass with the conveyance of each Unit), until the delinquent contribution assessment or installment is paid, together with any interest, costs and other sums set forth above which the Association is entitled to receive. No owner may avoid liability for the capital contributions and assessments provided for herein by non-users of the Common Areas and / or the Common Facilities, by set-off of any claims he may have against the Association, or by abandonment of his Unit. Any unpaid assessment which cannot be promptly collected from an Owner of a Unit may (but need not) be reassessed by the Board of Directors as a common expense to be collected from all of the Owners, including (by way of illustration and not limitation) a purchaser who acquires title to the Unit owned by the defaulting Owner at a sheriff's sale of such Unit pursuant to execution upon a lien against such Unit (including, without limitation, the Association's lien for delinquent capital contribution(s) and/or assessment(s), his successors and assigns and any holder of a mortgage who comes into possession of a Unit by deed in lieu of foreclosure or any transfer or assignment in lieu of foreclosure).

Section 10. Subordination. The lien of the capital contributions and assessments provided for herein shall be subordinate to the lien of any first mortgage placed upon the subject to such capital contribution or assessment prior to the time such capital

contribution or assessment becomes a lien on such Unit; provided, however, that such subordination shall apply only to the contributions, assessments or installments which have become due and payable prior to the date of sale of such Unit pursuant to a decree of foreclosure of such mortgage or prior to the date of a deed, or other instrument of conveyance, of such Unit given by the mortgagor in lieu of foreclosure. Any First Mortgagee who comes into possession of a Unit on which it holds or held a mortgage, through foreclosure of such mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the Unit free of any claims for unpaid assessments, capital contributions, or other charges against such Unit which have accrued prior to the time such First Mortgagee comes into possession of such Unit (except for claims for a pro rata share of such assessments, capital contributions or other charges resulting from a pro rata reallocation thereof by the Association to all Units including the mortgaged Unit). Such sale, or deed or instrument of conveyance in lieu of foreclosure, shall not relieve such Unit from liability for any capital contributions or assessments, or installments of either, which thereafter become due nor from the lien of any such subsequent contribution, assessment or installment.

Section 11. Exempt Units. Each Unit, for the period prior to the time it is constructed, sold and conveyed by Developer, shall be exempt from the capital contributions, assessments, charges and liens of the Association created herein for any amount in excess of sixty percent (60%) of capital contributions, and/or monthly assessments paid by other Unit Owners. Such exemption for any such unconveyed Unit shall continue until the time of closing of the sale and conveyance of such Unit by Developer.

Upon the conveyance by Developer to an Owner other than Developer of a Unit which was therefore entitled to the above, partial exemption, such exemption shall be terminated ipso facto and such Unit shall thereafter be subject to the full amount of capital contributions and assessments elsewhere set forth in this Article prorated from the date of such conveyance.

It is further understood that the following property subject to this Declaration shall be exempt from the capital contributions and assessments, charges and liens created herein: (a) properties dedicated to and accepted by a local public authority and devoted to public use, from and after the time of acceptance of such dedication; (b) all Common Areas and Common Facilities; (c) all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Illinois, so long as such properties are not used as a dwelling.

Section 12. Certificate of Payment. The Association shall, upon demand, furnish to any Owner liable for said capital contribution or assessment, a certificate in writing signed by an officer of the Association, setting forth whether the annual assessments of capital contributions on a specified Unit have been paid and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Said certificates shall be conclusive evidence that any assessment or capital contribution therein stated to have been paid has in fact been paid. No charge shall be made for issuing from time to time said certificates to the Developer on Units then owned by Developer.

ARTICLE VII.
MAINTENANCE DUTIES AND RIGHTS OF THE
ASSOCIATION AND FIRST MORTGAGEES

Section 1. The Association's Maintenance Duties and Rights. The Association, in addition to its other powers, rights and duties as set forth in these Covenants and in its Articles of Incorporation, By-Laws and any Rules and Regulations which the Association may promulgate as hereinafter provided, and as any of the same may be amended, shall maintain, operate and manage the Berm Easement, all the Common Areas and Common Facilities (whether such Common Areas or Common Facilities are dedicated to public bodies or not unless such public bodies expressly accept responsibility therefore) including, if any, Berm Easement improvements (excluding fences installed by Unit Owners), entry monuments, retaining walls, trees located on the Berm Easement and Common Areas (it being understood that the Association may delegate one or more of such duties to one or more independent contractors including, without limitation, Developer and entities affiliated with Developer), or agents or employees of the Association, by lease or contract; shall pay all real estate taxes, personal property taxes or other charges which may be assessed against or levied upon the Common Areas and Common Facilities; shall maintain and otherwise manage the landscaping and grounds in the Berm Easement and Common Areas; and shall cause the Association to maintain continually in effect, and to pay the premium of, fire and extended coverage insurance on the insurable portion of the Common Facilities, comprehensive public liability insurance covering all of the Common Area and Common Facilities and to include the Village and its agents and employees, as an additional insured under such coverage if possible, a

fidelity bond or insurance policy covering all persons who are responsible for handling the funds of the Association, and such other insurance as the Board of Directors of the Association shall deem to be necessary or desirable, all of which shall be in such amounts and with such companies as the Board of Directors shall determine; provided, however, that if and for so long as any First Mortgagee shall be Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation or any other Federal, State or local agency or instrumentality, then the insurance coverage carried by the Association shall, at a minimum, comply with any applicable requirements of such association, corporation, agency and/or instrumentality.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests, or invitees, to the extent provided by law the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Unit is subject and shall be paid as determined by the Board of Directors.

In furtherance of the above duties and all other powers, rights and duties of the Association, the Association for itself, its agents, successors, and assigns, is hereby granted the right and easement to enter in and upon all yard areas and walks of the Units in the Community.

The extent and frequency of the activities of the Association in carrying out the duties of maintenance and management set forth above shall be decided by the Board of Directors, and the Board of Directors may appoint committees to advise the Board on such matters. The Board of Directors may also promulgate Rules and Regulations to aid

in carrying out of said maintenance and management duties, and may amend said Rules and Regulations from time to time.

Section 2. Certain Rights of First Mortgagees.

A First Mortgagee of a Unit may, either singly or jointly with First Mortgagees of other Units, on behalf of the Association (i) pay taxes or other charges which are in default and which may become or have become a lien or charge against the Common Areas, the Common Facilities or both, and (ii) pay overdue premiums on one or more hazard insurance coverages of the Common Areas and Common Facilities upon the failure of the Association to replace such policy not later than the time it elapses (including any applicable grace period). One or more First Mortgagees making such payment on behalf of the Association shall be entitled to be reimbursed therefore from the Association upon written demand therefore. Upon written request by a First Mortgagee, the Association shall confirm in writing to such First Mortgagee that if any First Mortgagees were to make on or more of the payments referred to in the first sentence of this paragraph (a) on behalf of the Association, such First Mortgagee (s) would thereby be entitled to the reimbursement mentioned in the immediately preceding sentence.

(b) No Owner of a Unit, or any other party, shall have priority over any rights of First Mortgagees of Units pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of any of the Common Areas, the Common Facilities or both; provided, however, that nothing in this paragraph (b) shall be deemed to create, or imply the existence of, any rights of

Owners of Units, or their Mortgagees, or both, in and to any such insurance proceeds and condemnation awards.

(c) The holder, insurer or guarantor of the mortgage on any Unit, which sends a written request to the Association, stating its names and address and the Unit description of the Subject Unit, shall be entitled to timely written notice of the following:

- (i) any condemnation or casualty loss which affects either a material portion of the Community or the Unit securing its mortgage;
- (ii) any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;
- (iii) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (iv) any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

(d) The holder, insurer or guarantor of any first mortgage that is secured by a Unit shall be provided with an audited financial statement for the preceding fiscal year upon written request to the Association.

ARTICLE VIII.

USE AND RIGHTS IN COMMON AREAS

Section 1. Use and Rights of Owners and the Association. Except as the right may be suspended under Section 9 of Article VI hereof for non-payment of delinquent assessments, or as provided below, each Owner, at the time he becomes an Owner and for so long as he is an Owner, is hereby granted rights of easement for ingress and egress

over and across, and use of, enjoyment in and access to all of the Common Areas and/or Common Facilities subject to the Rules and Regulations of the Association as promulgated from time to time and subject to the right of the Association or its designee (s) for use of one or more of the Common Areas and/or Common Facilities. Such easements shall be deemed to be appurtenant to such Owner's Unit, shall run with the land and shall pass with the title to such Unit. If construction, reconstruction, repair, shifting, settlement, or other movement of any portion of improvements results either in the Common Areas encroaching on any Unit or in a Unit encroaching on a Common Area or another Unit, an easement is hereby granted for both the encroachment and its maintenance for the period during which the encroachment exists.

The Association shall have the right to grant permits, licenses, or easements over or dedicate all or portions of the Common Areas and/or Common Facilities to any public body, agency, authority or utility for utilities, roads & other purposes necessary for the proper operation of the Community, provided that each Owner shall continue to have ingress and egress to his Unit; and further provided that no such dedication shall be effective unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of each class of voting membership has been recorded, agreeing to such dedication and unless written notice of the proposed dedication is mailed or hand delivered to every Owner and First Mortgagee at least ninety (90) days in advance of any action taken. Any Unit Owner may delegate in accordance with the By-Laws of the Association, his right of enjoyment to the Common Areas to the members of his family, his tenants or contract purchasers who reside on such Unit.

Section 2. Use and Rights of Developer. Prior to the last conveyance by the Developer of a Unit in each portion of the Existing Property, which by Declaration is brought under these Covenants, the Developer shall convey to the Association in fee all of the Common Areas not dedicated or to be dedicated to a public body in each such portion of Existing Property, free and clear of all mortgages and subject to easements for utilities as provided below, these Covenants, public zoning ordinances, restrictions of record, if any, and current real estate taxes, which shall be prorated between the Developer and the Association. Any other Common Areas in other portions of the Existing Property which are brought under these Covenants shall be conveyed to the Association in like manner. The Common Areas, and the Developer's conveyance thereof to the Association, shall be subject to utility easements granted or to be granted for sewer, water, drainage, cable television, gas, electricity, telephone and any other necessary utilities. If such utilities are not installed, or easements therefore are not granted or reserved prior to the conveyance of the Common Areas, such easements shall be granted later by the Association at the request of the Developer. As a part of its program of development of the of its program of development of the Community into a residential community and to encourage the marketing thereof, the Developer shall have the right to use the Common Areas and Common Facilities thereon, without charge during the sales and construction period for the Existing Property.

Section 3. Use and Rights of Public Authorities. The duly designated officials, employees and contractors of governmental bodies having jurisdiction over the Community, shall have an easement to enter upon on, and over the Common Areas in the Community for the purpose of providing police and fire protection and enforcing the

applicable laws, ordinances, rules and regulations of the said governmental bodies. The Developer and the Association shall hold police and governmental personnel harmless from civil or criminal actions arising through a charge of trespass for entering on the Common Areas in performance of their duties.

If the Association shall not have exercised diligence in the care, maintenance, and appearance of the Common Areas including landscaped areas, or the Bern Easement, the Village may, but shall not be obligated to, at its sole discretion, upon thirty (30) days notice, enter upon such Common Area or Bern Easement and provide such care and maintenance as may be required to maintain said facilities. In the event the Village shall provide care and maintenance as provided herein, it shall have the option and discretion to assess and collect its costs from the Association and, in the event said Association refuses or is unable to act for any reason or has been discovered by the State of Illinois, then, in that event, the Village shall at its sole option and discretion have the right to succeed to any or all of the rights and powers of assessment, lien, and enforcement contained in the Association By-Laws, if such By-Laws are in existence, and as granted herein to the Association and the Developer.

The Association shall indemnify, hold harmless and defend the Village from any and all actions, proceedings or damages arising from these Covenants and the Village shall also be entitled to recover all of its damages, costs and attorneys' fees incurred as a result of being or being made a party to any action brought regarding these Covenants. All such damages, costs and attorneys' fees are not paid, the Village shall be entitled to place a lien on the Units until such time as such amounts are paid.

Section 4. Condemnation. In the event of condemnation or destruction of any Common Areas or Common Facilities, and in the event of liquidation or termination of the Association, any losses or proceeds resulting therefrom shall be shared equitably between the Unit Owners effected by such event(s), as reasonably determined by the Board of Directors of the Association. The Association is hereby designated to represent the Members in any proceedings, negotiations, settlements or agreements regarding any such condemnation or destruction, and each Member, by acceptance of a deed for a Unit appoints the Association as its attorney-in-fact for the foregoing purposes. Any proceeds from any such settlements shall be payable to the Association for the benefit of the Members and their mortgage holders.

Section 5. Standards of Maintenance. The Standards of Maintenance of the Units and the residences and improvements located thereon, and the Bern Easement, the Common Areas and Common Facilities, adopted by the Association from time to time shall be at least equal to those set forth in the Ordinance of general applicability of the Village in effect from time to time which govern and control the maintenance of private property.

Section 6. Clubhouse Facilities. Notwithstanding anything contained herein to the contrary, including the provisions of Article II and Section 2 of Article VIII hereof, Outlot A and the Common Facilities (including, but not limited to, a clubhouse) to be constructed thereon, shall not be conveyed to the Association unless and until (i) such Common Facilities have been substantially completed, and (ii) there are a sufficient number of Class A members to maintain said Common Facilities on Outlot A have not been substantially completed and/or there is not a sufficient number of Class A members

to maintain said Common Facilities within five (5) years after the date of this Declaration, the Covenants contained herein shall be terminated as to Outlot A and the assessments levied under this Declaration shall not apply to Outlot A and the Common Facilities located thereon. A termination of this Declaration as to Outlot A under this Section 6 shall be effected by recording in the office of the Recorder of Deeds of the County in which the Community is located, a document executed by the Developer stating that this Declaration shall be terminated as to Outlot A for the reasons set forth above.

ARTICLE IX.

GENERAL PROVISIONS

Section 1. Enforcement. These Covenants shall run with, and be binding upon all land which by Declaration, as elsewhere herein provided for, is brought within these Covenants and shall inure to the benefit of and shall be binding upon the Association and all persons owning, leasing, subleasing, or occupying any such land and their heirs, executors, administrators, personal representatives, successors, and assigns. These Covenants may be enforced by the Association, which shall have the right to expend Association monies in pursuance thereof, and may also be enforced by the Village, but with no obligation to the Village, the Owner of any Unit in the Community or any one or more of the aforesaid persons benefited thereby. If these Covenants are enforced in any manner, whether by court proceeding or otherwise, by appropriate proceedings by the Village, the Village, if successful in such enforcement, shall be reimbursed by the Association for all of its costs incurred, including attorneys' fees. If

these Covenants are enforced by appropriate proceedings by any such Owner or Owners, such Owner or Owners, if successful in such enforcement and if the Association had theretofore refused such enforcement, shall be reimbursed by the Association for all or any part of the cost incurred, but such reimbursement shall be solely in the discretion of the Board of Directors of the Association. Enforcement of these Covenants shall be by any proceeding at law, equity, or otherwise against any person or persons violating or attempting to violate any of these Covenants either to restrain violation or to recover damages, and against the land to enforce any lien created by these Covenants and failure by the Association, the Village, or any Owner to enforce any of the Covenants herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity of any one or more of the provisions of these Covenants or portions thereof by judgment or court order shall in no way affect the validity of any of the other provisions or portions thereof, which shall remain in full force and effect.

Section 3. Terminology The word “he” wherever used in this instrument shall be deemed to be synonymous with the words “she,” “it,” and “they,” and the word “his” shall be deemed to be synonymous with the words “her,” “its,” and “their.” The word “person” may refer to an individual, corporation, partnership, or other legal entity except when the context provides otherwise.

Section 4. Duration. Subject to the provision of Section 5 of this Article, these Covenants shall remain in full force and effect for a period of thirty-five (35) years from the date hereof, and thereafter they shall be deemed to have been automatically renewed for successive terms of ten (10) years except that at any time, and from time to

time, they may be amended or terminated by the vote of the Owners of not less than sixty-seven percent (67%) of the Units then in the Association. Any termination or amendment of a material nature shall require the prior written approval of the Village and of Eligible Mortgage Holders representing at least 51% of the votes of Units that are subject to mortgages held by Eligible Mortgage Holders. A change to any of the following shall be considered as material:

- (a) Voting Rights;
- (b) Assessments, assessment liens, or subordination of assessment liens;
- (c) Reserves for maintenance, repair, and replacement of Common Areas;
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the general or limited Common Areas, or rights to their use;
- (f) Boundaries of any Unit;
- (g) Convertibility of Units into Common Areas or vice versa;
- (h) Expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project;
- (i) Insurance or fidelity bonds;

- (j) Leasing of Units;
- (k) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her unit;
- (l) A decision by the Association to establish self-management had been required previously by an Eligible Mortgage Holder;
- (m) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration, or the Articles of Incorporation or By-Laws of the Association;
- (n) Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or
- (o) Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

Any termination of the legal status of the project for reasons other than substantial destruction or condemnation must be approved by Eligible Mortgage Holders representing at least 67% of the votes of the Units then in the Association. Any such amendment or termination shall be effected by recording in the office of the Recorder of Deeds of the County in which the Community is located, a document executed by the required number of Owners, setting out such amendments(s) or stating that these Covenants shall be terminated as provided therein. It shall be the duty of the Association to notify the Village and all Owners and Eligible Mortgage Holders of any action under this Section by mail at least thirty (30) days prior to the date of any meeting called to decide any such action. Implied approval of an Eligible Mortgage Holder shall be

assumed when the Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within thirty (30) days after the proposal is made.

Section 5. Powers retained by Developer. A power coupled with an interest is hereby retained by and granted to the Developer (acting by and through its duly authorized officers), its successors, assigns or designees, as attorney-in-fact, to amend this Declaration, the By-Laws of the Association, or the Articles of Incorporation of the Association, for any of the following purposes: (a) compliance with requirements of the Veterans Administration, the Department of Housing and Urban Development, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, any successor to any of such organizations and any other federal, state or local governmental entity or agency; (b) correcting any typographic or scrivener's error; and (c) meeting requirements of the Internal Revenue Code as now, or hereafter amended, (i) relating to organizations exempt from tax or (ii) specifically exempting homeowners' association from any Federal income tax; provided that Developer shall have no obligation to cause any such amendment to be made. The acceptance of each deed, mortgage or other instrument with respect to any Unit which is subject to these Covenants shall be deemed to be a confirmation of such power to such attorney-in-fact and shall be deemed to constitute a consent and agreement to and acceptance, confirmation and ratification of all such amendments, which shall be effective upon the recording in the office of the Recorder of Deeds of the County within which the Community is located of an appropriate instrument, setting forth the amendment, and its authorization pursuant to this Section 5, which instrument shall be executed and acknowledged by Developer.

Section 6. Notices. Any notice or other communication required to be sent to any Owner or First Mortgage under the provisions of this instrument shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner or First Mortgage on the records of the Association at the time of such mailing. Notice to the Association shall be sent in the manner addressed to its President or Secretary at 300 Park Boulevard, Suite 515, Itasca, Illinois 60143, or to such other address of which Association shall have notified the Unit Owners in the aforesaid manner.

Section 7. Captions. The paragraph captions in this instrument are for convenience only and do not in any way define, limit, describe or amplify the terms and provisions of this instrument or the scope or intent thereof.

Section 8. Leases. Any lease or rental agreement affecting any Unit must be in writing, for a period of at least 30 days and shall be subject to these Covenants, and the Articles of Incorporation and By-Laws of the Association.

Section 9. Professional Management Contracts. Developer shall not directly or indirectly bind the Association to any professional management contract unless such contract includes a right of termination without cause that the Association can exercise at any time after transfer of control. Said right of termination shall not require any payment of any penalty of advance notice of more than ninety (90) days.

Section 10. Village Ordinances Prevail. None of the covenants, conditions, restrictions or provisions of the Declaration are intended to supersede or prevail over the ordinances of general or specific applicability of the Village of Bloomingdale as they currently exist or as they may be amended from time to time, in which the Community is

located, and in the event of any conflict, the applicable ordinances of the Village of Bloomingdale shall supercede and prevail over the covenants, conditions, restrictions and provisions of this Declaration.

ARTICLE X

INSURANCE

Section 1. Casualty Insurance; Bern Easement, The Common Areas and Common Facilities. To the extent available, the Association shall obtain and maintain a policy or policies of insurance with respect to the damage or destruction of the Bern Easement, the Common Areas and Common Facilities and any of the improvements thereon, and to any other tangible assets of the Association including coverage against damage or destruction by the perils of fire, lightning and those perils contained in an all risk form, and such other perils as the Board of Directors of the Association from time to time may determine should be included in such coverage, in an amount equal to 100% of the insurable replacement cost thereof, without depreciation and with an agreed amount provision. Such insurance shall name as the insured, and the proceeds thereof shall be payable to the Association, as trustee. The proceeds of such insurance shall be made available, as the Board of Directors of the Association shall reasonably determine, for the repair, reconstruction, and restoration of such Bern Easement, Common Areas and/or Common Facilities subject to the rights of the first Mortgages. To the extent feasible, all such policies of insurance shall (i) provide that the insurance shall not be invalidated by the act or neglect of the Developer, the Association, its Board of Directors, its officers, any Owner or occupant, or any agent, employee, guest or invitee of any of them, and (ii)

shall contain an endorsement that such policies shall not be cancelled without at least thirty (30) days prior notice to the Association, the Owners, and all first Mortgages of the Units.

Section 2. Liability Insurance; the Association. To the extent available, the Association shall obtain and maintain a policy or policies of comprehensive general liability insurance insuring on an occurrence basis the Association, its Directors, Officers, the Members, the Village of Bloomingdale, and their agents and employees, against claims for personal injury, including death and property damage, arising out of any occurrence in connection with the ownership, occupancy, supervision, operation, repair, maintenance or restoration of the Bern Easement, Common Areas and/or Common Facilities, in connection with any act or omission of or on behalf of the Association, its Board of Directors, agents or employees, within the Community. Such policies shall contain a provision that they may not be cancelled without at least (30) days prior notice to the Association, the Owners, and the first Mortgages of the Units.

Section 3. Workers' Compensation and Fidelity Insurance; Other Insurance. To the extent available, the Association shall obtain and maintain a policy or policies of insurance with reputable insurance carriers providing the following coverage:

- (a) Workers Compensation and employers liability insurance in such form and in such amounts as may be necessary to comply with applicable laws;
 - (b) Fidelity insurance or bonds in reasonable amounts for all officers and employees having fiscal responsibilities, naming the Association as obligee;
- and

- (c) Such other insurance in such limits and for such purpose as the Association may, from time to time, deem reasonable and appropriate.

Section 4. Waiver of Subrogation.

To the extent feasible, all policies of insurance obtained by the Association shall contain provisions that no act or omission by any named insured shall affect the obligation of the insurance company to pay the amounts of any loss sustained. So long as the policies of insurance provided for herein shall provide that a mutual release as provided for herein shall provide that a mutual release as provided for in this Section shall not affect the right of recovery thereunder, and further provide coverage for the matters for which the release herein is given all named insureds and all parties claiming under them shall and do by these presents mutually release and discharge each other from all claims and liabilities arising from or caused by any hazard or source covered by any insurance procured by the Association, regardless of the cause of damage or loss.

Section 5. Insurance Premium Expense. The expense of insurance premiums paid by the Association under this Article shall be an expense of the Association to which the assessments collected by the Association from the Owners shall be applied.

IN WITNESS, THE HOFFMAN GROUP, INC., a Delaware corporation and
AHMANSON DEVELOPMENTS, INC., a California corporation (collectively
Developer herein) have caused their corporate seals to be affixed hereunto and have
caused their names to be signed to this instrument by their _ Vice_ President and
attested by their __Assistant__ Secretary this __24th__ day of __October__ ,
__1988__.

THE HOFFMAN GROUP, INC.

By _____
President

Attest: _____
Secretary

AHMANSON DEVELOPMENTS, INC.

By _____
President

Attest: _____
Asst. Secretary

IN WITNESS, THE HOFFMAN GROUP, INC., a Delaware corporation and
AHMANSON DEVELOPMENTS, INC., a California corporation (collectively
Developer herein) have caused their corporate seals to be affixed hereunto and have
caused their names to be signed to this instrument by their __Exec. Vice__ President
and attested by their _____ Secretary this __1st__ day of __November__ ,
1988

THE HOFFMAN GROUP, INC.

By _____
President

Attest: _____
Secretary

AHMANSON DEVELOPMENTS, INC.

By _____
President

Attest: _____
Secretary

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I, Brenda D. Smith, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Shirley Elliot and Charles D. Cencibaugh , personally known to me as the Vice President and Asst. Secretary respectively, of The Hoffman Group, 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 and delivered the same instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by said corporation as their free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and seal this 24th day of October , 1988.

Notary Public

My commission expires: 10/26/90

STATE OF Illinois)
) SS
COUNTY OF Kane)

I, Betty A. Zhe, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Bert Hoffman and Rita J. Ralston, personally known to me as the Exec.Vice President and Secretary respectively, of Ahmanson Developments, 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 and delivered the same instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by said corporation as their free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and seal this 1st day of November, 1988.

Notary Public

My commission expires: 7/1/92

Prepared and return to:
Donna L. Head
Gould & Ratner
222 North LaSalle Street
Chicago, IL 60601
Phone : 236-3003

BLOOMFIELD CLUB RECREATION ASSOCIATION DELARATION

EXHIBIT "A"
CERTIFICATE OF CORRECTION
FOR
BLOOMFIELD CLUB UNIT TWO

I, RAYMOND C. MORRISSON, ILLINOIS REGISTERED LAND SURVEYOR NO. 25-2176 DO HEREBY CERTIFY THAT I AM SURVEYOR OF RECORD FOR BLOOMFIELD CLUB UNIT TWO, BEING A SUBDIVISION OF PARTS OF LOTS 8 AND 10 IN STRATFORD ASSESSMENT PLAT NO. 4, IN THE NORTHWEST QUARTER OF SECTION 21, AND THE SOUTHWEST QUARTER OF SECTION 16, ALL IN TOWNSHIP 40 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DU PAGE COUNTY, ILLINOIS ACCORDING TO THE PLAT OF SAID BLOOMFIELD CLUB UNIT TWO RECORDED JANUARY 11, 1988 AS DOCUMENT R88-002931.

AS SAID SURVEYOR OR RECORD I HEREBY MAKE THE FOLLOWING CHANGES TO SAID PLAT OF BLOOMFIELD CLUB UNIT TWO:

- (1) THE 5.00 FOOT WIDE PEDESTRIAN WALKWAY EASEMENT SITUATED WITHIN A PORTION OF LOIS 67 THRU 92, INCLUSIVE, IS HEREBY ABROGATED
- (2) A BERM, LANDSCAPE AND SIDEWALK EASEMENT IS HEREBY GRANTED OVER ALL THAT PART OF LOIS 65 THRU 92, BOTH INCLUSIVE, DESCRIBE AS FOLLOWS:

BEGINNING AT THE HORILL WESTERLY CORNER OF SAID LOT 67; THENCE NBB-02-'05"E ALONG THE U DRILL LINE OF SAID LOIS 76, 65 AND 65 A DISTANCE OF 74.36 FEET; THENCE 501-57'-55"E A DISTANCE OF 63.55 FEET TO THE LINE BETWEEN SAID LOIS 66 AND 67; THENCE 544-22'33"W A DISTANCE OF 52.25 FEET TO A POINT IN SAID LOT 68; THENCE 510-04'-51 E A DISTANCE OF 78.50 FEET TO A POINT IN SAID LOT 72; THENCE 501-09'-26"W A DISTANCE OF 43.24 FEET TO A POINT IN SAID LOT 73; THENCE 502-16'-06"W A DISTANCE OF 101.50 FEET TO A POINT IN SAID LOT 76; THENCE 503-00'-56"E A DISTANCE OF 35.78 FEET TO THE POINT IN SAID LOT 77; THENCE 500-04'-54"E A DISTANCE OF 101.50 FEET TO A POINT IN SAID LOT 80; THENCE 502-23'-20"W A DISTANCE OF 15.31 FEET TO A POINT IN SAID LOT 81; THENCE 506-30'-35"E A DISTANCE OF 78.50 FEET TO A POINT IN SAID LOT 84; THENCE 508-08'-30"E A DISTANCE OF 39.70 FEET TO A POINT IN SAID LOT 85; THENCE 506-15'-00" W A DISTANCE OF 101.50 FEET TO A POINT IN SAID LOT 88; THENCE 503-10'-17"E A DISTANCE OF 38.40 FEET TO A POINT IN SAID TO BE LOT 89; THENCE 512-26'-13"E A DISTANCE OF 101.50 FEET TO A POINT IN SAID LOT 92; THENCE 500-01'51"E A DISTANCE OF 41.95 FEET TO THE SOUTH LINE OF SAID LOT 92; THENCE 589-55'-06"W A DISTANCE 45.66 FEET TO THE SOUTHWEST CORNER OF SAID LOT 92; THENCE 1100-01'-51"W

ALONG THE WEST LINE OF SAID LOIS 67 THROUGH 92 A DISTANCE OF 99.00 FEET TO SAID POINT OF BEGINNING.

GIVEN UNDER MY HAND AND SEAL AT WOODRIDGE, ILLINIOS THIS _____ DAY OF _____, A.D, 20_____.

ILLINOS RESISTERED LAND SURVEVOR NO. 35-2176

BLOOMFEID CLUB RECREATION ASSOCIATION DECLARATION
EXHIBIT "B"

Lots 1 through 4, both inclusive, 11 through 15, both inclusive, 153 through 156, both inclusive and Outlot A, in Bloomfield Club Unit One, being a subdivision of parts of Lots B through 11, both inclusive, in Stratford Assessments Plat No.4, in the Northeast Quarter of Section 21, and the southwest Quarter of Section 16, all in Township 40 North, Range 10 East of the Third Principal Meridian, record february7, 1980, as Document R80-08728, according to the plat thereof recorded as Document No. R88-002930, in Du Page County, Illinois.

And

Lots 1 through 152, both inclusive, in Bloomfield Club Unit Two, being a subdivision of parts of lots 8 and 10 in Stratford Assessment Plant No.4, on the Northeast Quarter of Section 21, and the Southwest Quarter of Section 16, all in Township 40 North, Range 10 East of the third Principal Meridian, According to the plat thereof record as Document No. R88-002931, in Du Page County, Illinois.

And

Lots 2 through 10, both inclusive, and 16 through 101, both inclusive, in Bloomfield Club Unit three, being a subdivision of Lots 6 through 9, both inclusive, in Stratford Assessment Plat No.4, in the Northwest Quarter of Section 21, and the Southwest Quarter of Section 16, all in Township 40 North, Range 10 East of the Third Principal Meridian, according to plat thereof recorded as Document No. R88-026000, in Du Page County, Illinois.

And

Lots 5 through 76, both inclusive, and Outlot B in Bloomfield Club Unit Four, being a subdivision of lots 8 through 11, both inclusive, in Stratford Assessments Plat No.4, in the Northwest Quarter of Section 21, and the Southeast Quarter of Section 16, all in Township 40 north, range 10 East of the third Principal Meridian, according to the plat thereof recorded as Document No. R88-02932, in DuPage County Illinois.

And

Bloomfield Club Recreation Association Declaration
Exhibit "C"

Outlot A in Bloomfield Club Unit One, being a subdivision of parts of Lots B through 11, both inclusive, in Stratford Assessments Plat No. 4, in the Northwest Quarter of section 21, and the Southwest Quarter of section 16, all in Township 40 North, Range 10 East of the Third Principal Meridian, recorded February 7, 1980, as Document R80-08728, In Du Page County, Illinois.

And

Lots 49 and Outlot B in Bloomfield Club Unit Four, Being a subdivision of Lots B through 11, both inclusive, in Stratford Assessment Plat.No.4 in the Northwest Quarter of Section 21, and the Stratford Assessments Plat no.4 in the Northwest Quarter of Section 21, and the Southwest Quarter of Section 16, all in Township 40 North, Range 10 East of the Third Principal Meridian, According to the plat thereof record as Document No.R88-002932, In Du Page County, Illinois.

Bloomfield Club

Unit: I

02-16-306-14	Lot-4
02-16-306-15	Lot-3
02-16-306-16	Lot-2
02-16-306-17	Lot-1
02-16-305-01	Lot-15
02-16-305-02	Lot-14
02-16-305-03	Lot-13
02-16-305-04	Lot-12
02-16-305-05	Lot-11
02-16-303-25	Lot-153
02-16-303-26	Lot-154
02-16-303-27	Lot-155
02-16-303-27.1	Lot-156
02-16-304-01	

Bloomfield Club Unit II

02-16-302-021	Lot-108	022	Lot-107
023	Lot-106	024	Lot-105
025	Lot-104	026	Lot-103
027	Lot-102	028	Lot-101
029	Lot-100	030	Lot-99
031	Lot-98	032	Lot-97
033	Lot-96	034	Lot-95
035	Lot-94	036	Lot-93
02-16-303-001	Lot-129	002	Lot-130
003	Lot-131	004	Lot-132
005	Lot-133	006	Lot-134
006	Lot-135	008	Lot-136
008	Lot-137	010	Lot-138
011	Lot-139	012	Lot-140
013	Lot-141	014	Lot-142
015	Lot-143	016	Lot-144
017	Lot-145	018	Lot-146
019	Lot-147	020	Lot-148
021	Lot-149	022	Lot-150
023	Lot-151	023	Lot-152

Bloomfield Club Unit II

02-16-301-001	Lot-92	02-16-301-002	Lot-91
003	Lot-90	004	Lot-89
005	Lot-88	006	Lot-87
007	Lot-86	008`	Lot-85
009	Lot-84	010	Lot-83
011	Lot-82	012	Lot-81
013	Lot-80	014	Lot-79
015	Lot-78	016	Lot-77
017	Lot-76	018	Lot-75
019	Lot-74	020	Lot-73
021	Lot-72	022	Lot-71
023	Lot-70	024	Lot-69
025	Lot-68	026	Lot-67
027	Lot-66	028	Lot-65
029	Lot-64	030	Lot-63
031	Lot-62	032	Lot-61
033	Lot-60	034	Lot-59
035	Lot-58	036	Lot-57
037	Lot-56	038	Lot-55
039	Lot-54	040	Lot-53
041	Lot-52	042	Lot-51
043	Lot-50	044	Lot-49
045	Lot-48	046	Lot-47
047	Lot-46	048	Lot-45
049	Lot-44	050	Lot-43
051	Lot-42	052	Lot-41
053	Lot-40	054	Lot-39
055	Lot-38	056	Lot-37
057	Lot-36	058	Lot-35
059	Lot-34	060	Lot-33
02-16-301-061	Lot-32	062	Lot-31
063	Lot-30	064	Lot-29
065	Lot-28	066	Lot-27
067	Lot-26	068	Lot-25
069	Lot-24	070	Lot-23
071	Lot-22	072	Lot-21
073	Lot-20	074	Lot-19
075	Lot-18	076	Lot-17
077	Lot-16	078	Lot-15
079	Lot-14	080	Lot-13
081	Lot-12	082	Lot-11
083	Lot-10	084	Lot-9
085	Lot-8	086	Lot-7
087	Lot-6	088	Lot-5

089	Lot-4	090	Lot-3
091	Lot-2	092	Lot-1

Bloomfield Club Unit III

02-16-306-27	Lots-6 Thru 10
02-16-306-28	Lots-2 Thru 5

02-16-305-06	Thru 025	Lots-16 Thru 31
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02-16-306 018	Lot-10	019	Lot-9
	Lot-8	021	Lot-7
	Lot-6	023	Lot-5
	Lot-4	025	Lot-3
	Lot-2		

02-16-307-040	Lot-73	041	Lot-72
042	Lot-71	043	Lot-70
044	Lot-69	045	Lot-68
046	Lot-67	047	Lot-66
048	Lot-65	049	Lot-64
050	Lot-63	051	Lot-62
052	Lot-61	053	Lot-60
054	Lot-59	055	Lot-58
056	Lot-57	057	Lot-56
058	Lot-55	059	Lot-54
060	Lot-53	061	Lot-52
062	Lot-51	063	Lot-50
064	Lot-49	065	Lot-48
066	Lot-47	067	Lot-46
068	Lot-45	069	Lot-44
070	Lot-43	071	Lot-42
072	Lot-41	073	Lot-40
074	Lot-39	075	Lot-38
076	Lot-37	077	Lot-36

02-16-309-001	Lot-87	002	Lot-86
003	Lot-85	004	Lot-84
005	Lot-83	006	Lot-82
007	Lot-81	008	Lot-80
009	Lot-79	010	Lot-78
011	Lot-77	012	Lot-76

013	Lot-75	014	Lot-74
02-16-309-015	Lot-101	016	Lot-100
017	Lot-99	018	Lot-98
019	Lot-97	020	Lot-96
021	Lot-95	022	Lot-94
023	Lot-93	024	Lot-92
025	Lot-91	026	Lot-90
027	Lot-89	028	Lot-88