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**AMENDED AND RESTATED DECLARATION
FOR SHEPHERDS CROSSING HOMEOWNERS ASSOCIATION**

**This document prepared by and after
recording to be returned to:**

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**AMENDED AND RESTATED DECLARATION
FOR SHEPHERDS CROSSING HOMEOWNERS ASSOCIATION**

TABLE OF CONTENTS

ARTICLE ONE

Definitions

1.01	ACCEPTABLE TECHNOLOGICAL MEANS	1
1.02	ASSESSMENT	1
1.03	ASSOCIATION	1
1.04	BOARD.....	1
1.05	BY-LAWS	2
1.06	CHARGES.....	2
1.07	COMMUNITY AREA.....	2
1.08	COMMUNITY ASSESSMENT.....	2
1.09	COMMUNITY EXPENSES.....	2
1.10	COMMUNITY INSTRUMENTS	2
1.11	COUNTY	2
1.12	DECLARATION	2
1.13	DEVELOPMENT AREA	2
1.14	ELECTRONIC TRANSMISSION	3
1.15	LOT.....	3
1.16	MANAGEMENT COMPANY OR COMMUNITY ASSOCIATION MANAGER	3
1.17	MORTGAGEE	3
1.18	OWNER.....	3
1.19	PERSON	3
1.20	PREMISES	3
1.21	PREScribed DELIVERY METHOD	3
1.22	RECORD	3
1.23	RESIDENT	3
1.24	CITY	3
1.25	VOTING MEMBER.....	4

ARTICLE TWO

Scope of Declaration

2.01	PROPERTY SUBJECT TO DECLARATION	4
2.02	CONVEYANCES SUBJECT TO DECLARATION	4
2.03	DURATION.....	4

ARTICLE THREE
Maintenance of the Community Area

3.01	OWNERSHIP	4
3.02	RIGHT OF ENJOYMENT	4
3.03	DELEGATION OF USE	4
3.04	MAINTENANCE, REPAIR AND REPLACEMENT	5
3.05	ALTERATIONS, ADDITIONS OR IMPROVEMENTS	5

ARTICLE FOUR
Insurance/Condemnation

4.01	COMMUNITY AREA INSURANCE.....	5
4.02	CONDEMNATION.....	5

ARTICLE FIVE
The Association

5.01	IN GENERAL.....	6
5.02	MEMBERSHIP.....	6
5.03	VOTING MEMBERS.....	7
5.04	BOARD.....	7
5.05	VOTING RIGHTS.....	7
5.06	DIRECTOR AND OFFICER LIABILITY.....	7
5.07	MANAGING AGENT.....	7
5.08	ATTENDANCE AT BOARD MEETINGS BY OWNERS.....	8
5.09	LITIGATION.....	8

ARTICLE SIX
Assessments

6.01	PURPOSE OF ASSESSMENTS	8
6.02	COMMUNITY ASSESSMENT	8
6.03	PAYMENT OF COMMUNITY ASSESSMENT	9
6.04	REVISED ASSESSMENT	9
6.05	SPECIAL ASSESSMENT	9
6.06	CAPTIAL RESERVE	9
6.07	APPROVAL OF ASSESSMENTS	9
6.08	PAYMENT OF ASSESSMENTS	10
6.09	ACCOUNTING	10

ARTICLE SEVEN
Collection of Charges and
Remedies for Breach or Violation

7.01	CREATION OF LIEN AND PERSONAL OBLIGATION	10
7.02	COLLECTION OF CHARGES.....	10
7.03	NON-PAYMENT OF CHARGES	10
7.04	LIEN FOR CHARGES SUBORDINATED TO MORTGAGES.....	11
7.05	SELF-HELP BY BOARD	11
7.06	OTHER REMEDIES OF THE BOARD	11
7.07	COSTS AND EXPENSES.....	11
7.08	ENFORCEMENT BY OWNERS.....	12

ARTICLE EIGHT
Use Restriction

8.01	INDUSTRY/SIGNS.....	12
8.02	UNSIGHTLY USES	12
8.03	RESIDENTIAL USE ONLY	12
8.04	PARKING.....	12
8.05	OBSTRUCTIONS	12
8.06	PETS	13
8.07	NO NUISANCE.....	13
8.08	SATELLITE DISHES/ANTENNAE.....	13
8.09	STORMWATER AREA MAINTENANCE	13
8.10	GENERAL SIGNAGE RESTRICTIONS	13
8.11	LEASING PROHIBITIONS.....	14

ARTICLE NINE
Amendment

9.01	SPECIAL AMENDMENTS	15
9.02	AMENDMENT.....	15

ARTICLE TEN
Mortgagees Rights

10.01	NOTICE TO MORTGAGEES	15
10.02	INSURANCE PROCEEDS/CONDEMNATION AWARDS	16

ARTICLE ELEVEN
City Rights

11.01	IN GENERAL.....	16
11.02	ENFORCEMENT.....	16
11.03	MAINTENANCE.....	17
11.04	SPECIAL SERVICE AREA.....	17
11.05	RECONVEYANCE BY MUNICIPALITY	17

ARTICLE TWLEVE
Miscellaneous

12.01	NOTICES.....	18
12.02	CAPTIONS.....	18
12.03	SEVERABILITY.....	18
12.04	PERPETUITIES AND OTHER INVALIDITY	18
12.05	TITLE HOLDING LAND TRUST	18

EXHIBIT A – SHEPHERDS CROSSING SUBDIVISION LEGAL DESCRIPTION	20
EXHIBIT B – PHASE I SHEPHERDS CROSSING	22

AMENDED AND RESTATED BY-LAWS	23
ARTICLE I – NAME AND LOCATION	23

ARTICLE II – BOARD OF MANAGERS	23
1. Board of Managers (Board of Directors)	23
2. Officers	24
3. Removal	25
4. Meetings.....	25
5. General Powers of the Board	25

ARTICLE III – COMMITTEES.....	27
-------------------------------	----

ARTICLE IV – MEMBERSHIP MEETINGS	28
--	----

ARTICLE V – BOOKS AND RECORDS	28
-------------------------------------	----

ARTICLE VI – AMENDMENTS	29
-------------------------------	----

ARTICLE VII - INTERPRETATION.....	29
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AMENDED AND RESTATED DECLARATION FOR SHEPHERDS CROSSING
HOMEOWNERS ASSOCIATION

THIS AMENDED AND RESTATED DECLARATION made by the Shepherds Crossing Homeowners Association ("Association") is adopted by no less than two-thirds (2/3) of the Board of the Association who desire to amend and restate the Declaration to incorporate additional changes in the law, pursuant to Section 1-60 of the Illinois Common Interest Community Association Act.

R E C I T A L S

The Association and the Owners hold title to the Development Area which is legally described in Exhibit A hereto. Some or all of the Development Area shall be the subject of development called "Shepherds Crossing" (the Development).

The real estate which is legally described in Exhibit B hereto is subject to the provisions of this Declaration as the Premises.

Certain portions of the Premises are designated as Lots and other portions are designated as Community Area. The Association (as hereinafter defined) has been formed under the Illinois General Not-For-Profit Corporation Act. The 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 responsibility and duties. Each Owner of a Lot shall be a member of the Association and shall be responsible for paying assessments with respect to the Lot owned by such Owner.

NOW, THEREFORE, the Association and the Owners hereby declare 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 ACCEPTABLE TECHNOLOGICAL MEANS: Electronic transmission over the Internet or other network, whether by direct connection, intranet, telecopier, electronic mail, and any generally available technology that, by rule of the association, is deemed to provide reasonable security, reliability, identification, and verifiability.

1.02 ASSESSMENT: Community Assessments and Special Assessments.

1.03 ASSOCIATION: The Shepherds Crossing Homeowners Association, an Illinois not-for-profit corporation, its successors and assigns.

1.04 BOARD: The board of directors of the Association, as constituted at any time or from time to time, in accordance with the applicable provisions of Article Five.

1.05 BY-LAWS: The By-Laws of the Association.

1.06 CHARGES: The Community Assessment, any special assessment levied by the Association and/or any other charges or payments which an Owner is required to pay or for which an Owner is liable under this Declaration or the Bylaws.

1.07 COMMUNITY AREA: Those portions of the Premises which are described and designated as "Community Area" in Exhibit B hereto, together with all improvements located above and below the ground and rights appurtenant thereto. The Community Area shall generally include open space, landscaped areas and detention areas, lake buffer area, and may include monument signs located either on Community Area or on that portion of a Lot which is subject to a monument sign easement in favor of the Association.

1.08 COMMUNITY ASSESSMENT: The amounts which the Association shall collect from the Owners to pay the Community Expenses and accumulate reserves for such expenses, as more fully described in Article Six.

1.09 COMMUNITY EXPENSES: The expenses of administration (including management and professional services), operation, maintenance, repair, replacement and landscaping of the Community Area; the cost of insurance for the Community Area the cost of general and special real estate taxes and assessments levied or assessed against the Community Area owned by the Association; the cost of maintaining landscaped cul-de-sac islands, if any, and landscaped entryway islands, if any, on dedicated rights of way which serve the Premises; the cost of, and the expenses incurred for, the maintenance, repair and replacement of personal property acquired and used by the Association in connection with the maintenance of the Community Area; if not separately metered or charged to the Owners, the cost of garbage removal from the Community Area; and any expenses designated as Community Expenses by this Declaration.

1.10 COMMUNITY INSTRUMENTS: All documents and authorized amendments thereto recorded by a developer or common interest community association, including, but not limited to, the Declaration, By-Laws, operating agreement, plat of survey, and rules and regulations.

1.11 COUNTY: Lake County, Illinois or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the County as of the Recording of this Declaration.

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

1.13 DEVELOPMENT AREA: The real estate described in Exhibit A hereto with all improvements thereon and rights appurtenant thereto. Exhibit A is attached hereto for informational purposes only and no covenants, conditions, restrictions, easements, liens or changes shall attach to any part of the real estate described therein, except to the extent that portions thereof are described in Exhibit B and expressly made subject to the provisions of this Declaration as part of the Premises. Any portions of the Development Area which are no made

subject to the provisions of this Declaration as part of the Premises may be developed and used for any purposes not prohibited by law, including, without limitation, as a residential development which is administered separate from the Development.

1.14 ELECTRONIC TRANSMISSION: Any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient and that may be directly reproduced in paper form by the recipient through an automated process.

1.15 LOT: A portion of the Premises which is designated in Exhibit B hereto as a Lot.

1.16 MANAGEMENT COMPANY or COMMUNITY ASSOCIATION MANAGER: A person, partnership, corporation, or other legal entity entitled to transact business on behalf of others, acting on behalf of or as an agent for an association for the purpose of carrying out the duties, responsibilities, and other obligations necessary for the day to day operation and management of any property subject to this Act.

1.17 MORTGAGEE: The holder of a bona fide First mortgage, first trust deed or equivalent security interest covering a Lot.

1.18 OWNER: A record owner, whether one or more persons, of fee simple title to a Lot, including contract seller, but excluding those having such interest merely as security for the performance of an obligation.

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

1.20 PREMISES: The real estate which is legally described in Exhibit B hereto, as Amended or supplemented from time to time, with all improvements thereon and rights appurtenant thereto.

1.21 PRESCRIBED DELIVERY METHOD: Mailing, delivering, posting in an Association publication that is routinely mailed to all Members, electronic transmission, or any other delivery method that is approved in writing by the Member and authorized by the community instruments.

1.22 RECORD: To record in the office of the Recorder of Deeds for the County.

1.23 RESIDENT: An individual who resides in a Home.

1.24 CITY: City of Zion, Illinois or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the City as of the Recording of this Declaration.

1.25 VOTING MEMBER: The individual who shall be entitled to vote in person or by proxy at meetings of the Owners as more fully set forth in Article Five.

ARTICLE TWO

Scope of Declaration

2.01 PROPERTY SUBJECT TO DECLARATION: The Association and Owners, as the owner of fee simple title to the Premises; expressly intend to and by Recording this Declaration, do hereby subject the Premises to the provisions of this Declaration.

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 forty (40) years from the date of Recording of this Declaration and for successive periods of ten (10) years each unless, during any said 10 year period, revoked, changed or amended in whole or in part by a Recorded instrument executed by the Owner of not less than three-fourths (3/4) of the Lots then subject to the Declaration.

ARTICLE THREE

Maintenance of the Community Area

3.01 OWNERSHIP: The Community Area has been conveyed to the Association and is made subject to this Declaration. Association shall be responsible for the payment of any and all Community Expenses in connection with the Community Area, including, without limitation, real estate taxes, if any, and property damage and public liability insurance premiums.

3.02 RIGHT OF ENJOYMENT. Each Owner shall have the non-exclusive right and easement to use and enjoy the Community Areas. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Lot, and shall be subject to and governed by the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Association.

3.03 DELEGATION OF USE: Subject to the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Association, any Owner may delegate his right to use and enjoy the Community Area and the Owner's Lot to

Residents of his Lot. An owner shall delegate such rights to tenants and contract purchasers of the Lot who are Residents only by written document.

3.04 MAINTENANCE, REPAIR AND REPLACEMENT. The Association shall furnish the following:

(a) added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Community Area;

(b) maintenance, repair and replacement of all detention areas, wetlands, floodways, flood planes, and improvements on the Community Area; and

(c) maintenance, repair and replacement of monument signs, if any on the Community Area or on a portion of a Lot which is subject to a monument sign easement in favor of the Association; and

(d) maintenance, repair and replacement of detention ponds or sedimentation basins, if any, constructed on the Premises.

The cost of any such maintenance, repairs and replacement shall be Community Expenses.

3.05 ALTERATIONS, ADDITIONS OR IMPROVEMENTS: No alterations, additions or improvements shall be made to the Community Area without the prior approval of the Board. The Association may cause alterations additions or improvements to be made to the Community Area, and the cost thereof shall be paid from a special assessment, as more fully described in Section 6.05; except, that, any alteration, addition or improvement which shall cost more than four (4) months assessments then in effect under the then current budget shall be approved in advance at a special meeting of the Owners.

ARTICLE FOUR Insurance Condemnation

4.01 COMMUNITY AREA INSURANCE:

(a) The Association shall have the authority to and shall obtain fire and all risk coverage insurance covering the improvements, if any, to the Community Area (based on current replacement cost for the full insurable replacement value) of such improvements.

(b) The Association shall have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damages in such limits as it shall deem desirable, and workmen's compensation insurance and other liability insurance as it may deem insurance, insuring each Owner, the Association, its directors and officers, the managing, agent, if any, and their respective employees and agents, as their interests may appear, from liability resulting from all occurrence on or in connection with the Community Area. The Board

may, in its discretion, obtain any other insurance which it deems advisable including, without 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 5.06. Such insurance coverage shall include cross liability claims of one or more insured parties.

(c) The Association shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the Association for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody or control of the Association. All management companies which are responsible for the funds held or administered by the Association shall maintain and furnish to the Association a fidelity bond for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody of the management company at any time. The Association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the Association and a management company.

(d) The premiums for any insurance obtained under this section shall be Community Expenses.

4.02 CONDEMNATION: In the case of a taking or condemnation by competent authority of any part of the Community Area the proceeds awarded in such condemnation shall be paid to the Association and such proceeds, together with any Community Area Capital Reserve being held for such part of the Community Area, shall in the discretion of the Board, either (i) be applied to pay the Community Expenses, (ii) be distributed to the Owners and their respective mortgagees, as their interests may appear, in equal shares, or (iii) 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 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, executed by the President of the Association and Recorded.

ARTICLE FIVE

The Association

5.01 IN GENERAL: The Association has been incorporated as a not-for-profit corporation under Illinois law. The Association shall be the governing body for all of the Owners for the limited purposes or the administration, operation, maintenance, repair and replacement of the Community Area.

5.02 MEMBERSHIP: Each Owner shall be a member of the Association. There shall be one membership per Lot. Membership shall appurtenant to and may not be separated from Ownership or a Lot. Ownership of a Lot shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Lot within ten (10) days after such change.

5.03 VOTING MEMBERS: Subject to the provisions of Section 9.05, voting rights of the members of the Association shall be vested exclusively in the Voting Members. One individual shall be designated as the Voting Member for each Lot. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners. If the Record ownership of a Lot shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Lot shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Lot as the Voting Member for such Lot.

5.04 BOARD: The Board shall consist of that number of members provided for in the By-Laws, each of whom shall be an Owner or Voting Member.

5.05 VOTING RIGHTS: All of the voting rights at any meeting of the Association, shall be vested in the Voting Members and each Voting Member shall have one vote for each Lot which the Voting Member represents. Any action may be taken by the Voting Members at any meeting, at which a quorum is present (as provided in the By-Laws) upon an affirmative vote of a majority by the Voting Members present at such meeting, except as otherwise provided herein or in the By-Laws.

5.06 DIRECTOR AND OFFICER LIABILITY: Neither the directors nor the officers of the Association shall be personally liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors and officers except for any acts or omissions found by a court to constitute criminal conduct, gross negligence or fraud. The Association shall indemnify and hold harmless each of the directors and officers, his heirs, executors or administrators, against all contractual and other Liabilities to other arising out of contracts made by or arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Association or arising out of their status as directors or officers unless any such contract or act shall have been made criminally fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, legal fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other in which any such director may be involved by virtue of such person being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there's no reasonable ground for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer.

5.07 MANAGING AGENT: The Association may engage the services of a manager or management company. Any management agreement entered into by the Association prior to the Turnover Date shall have a term of not more than two years and shall be terminable by the Association without payment of a termination fee on 90 days written notice.

5.08 ATTENDANCE AT BOARD MEETINGS BY OWNERS: Owners may attend meetings of the Board in accordance with the terms of the By-Laws in effect from time to time.

5.09 LITIGATION: No judicial or administrative proceedings shall be commenced or prosecuted by the Association without first holding a special meeting of the members and obtaining the affirmative vote of Voting Members representing at least seventy-five percent (75%) of the Lots to the commencement and prosecution of the proposed action. This Section shall not apply to (a) actions brought by the Association to enforce the provisions of this Declaration, the By-Laws or rules and regulations adopted by the Board (including, without limitation, an action to recover Charges or to foreclose a lien for unpaid Charges), or (b) counterclaims brought by the Association in proceedings instituted against it.

ARTICLE SIX

Assessments

6.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be limited to the purposes of maintaining the Community Area, administering the affairs of the Association, paying the Community Expenses, and accumulating reserves for any such expenses.

6.02 COMMUNITY ASSESSMENT: Each Member shall receive through a prescribed delivery method, at least thirty (30) days but not more than sixty (60) days prior to the adoption thereof by the Board, which shall show the following with reasonable explanations and itemizations:

- (1) The estimated Common Expenses;
- (2) The estimated amount, if any to maintain adequate reserves for Community Expenses including, without limitation, amounts to maintain the Capital Reserve;
- (3) 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;
- (4) The amount or the "Community Assessment" payable by the Owners, which is hereby defined as the amount determined in (1) above, plus the amount determined in (2) above, minus the amount determined in (3) above;
- (5) That portion of the Community Assessment which shall be payable with respect to the ensuing calendar year by the Owner of each Lot which is subject to assessment hereunder, which shall be equal to the Community Assessment divided by the number of Lots, so that each Owner shall pay equal Community Assessments for each Lot owned. The Community Assessment shall be paid in periodic installments as determined by the Board from time to time.

6.03 PAYMENT OF COMMUNITY ASSESSMENT: Each Owner of a Lot which is subject to assessment shall pay to the Association, or as the Board may direct the Community Assessment which is payable by each Owner of a Lot under Section 6.02 above at such times and in such installments as may be prescribed by the Board from time to time.

6.04 REVISED ASSESSMENT: If the Community Assessment proves inadequate for any reason (including nonpayment of any Owner's assessment) or proves to exceed funds reasonably needed, than the Board may increase or decrease the assessment payable under Section 6.02(5) 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.

6.05 SPECIAL ASSESSMENT: The Board may levy a special assessment as provided in this Section (i) to pay (or build to reserves to pay) expenses other than Community Expenses incurred for to be incurred) by the Association from time to time for a specific purpose including, without limitation, to make alterations, addition or improvements to the Community Area, or any other property owned or maintained by the Association; or (ii) to cover an unanticipated deficit under the prior year's budget. Any special assessment shall be levied against all of Lots is equal shares. The Board shall serve notice of a special assessment an 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 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.

6.06 CAPITAL RESERVE: The Association shall segregate and maintain special reserve accounts to be used solely for making capital expenditures in connection with the Community Area (the "Capital Reserve"). The Board shall determine the appropriate level of the Capitol Reserve based on a periodic review of the useful life of improvements to the Community Area and other property owned by the Association and periodic projections of the costs of anticipated major repairs or replacements to the Community Area and the purchase of other property to be used by the Association in connection with its duties hereunder. Each budget shall disclose that percentage of the Community Assessment which shall be added to the Capitol Reserve and each Owner shall be deemed to make a capital contribution to the Association equal to such percentages multiplied by each installment of the Community Assessment paid by such Owner.

6.07 APPROVAL OF ASSESSMENTS: If an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, the Association, upon written petition by Members with twenty percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board action, shall call a meeting of the Members within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the Members are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.

Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Member approval or the provisions of subsection of this Section. As used herein, "emergency" means a danger to or a compromise of the structural integrity of the common areas or any of the common facilities of the common interest community. "Emergency" also includes a danger to the life, health or safety of the membership.

Assessments for additions and alterations to the common areas or to Association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of a simple majority of the total Members at a meeting called for that purpose.

6.08 PAYMENT OF ASSESSMENTS: Assessments levied by the Association shall be collected from each Owner by the Association and shall be a lien on the Owner's Lot and also shall be a personal obligation of the Owner in favor of the Association, all as more fully set forth in Article Seven.

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

ARTICLE SEVEN

Collection of Charges and Remedies for Breach or Violation

7.01 CREATION OF LIEN AND PERSONAL OBLIGATION: Each Owner of a Lot by acceptance of a deed therefor (whether or not it shall be so expresses in any such deed or other conveyance) shall be and is deemed to covenant and hereby agrees to pay to the Association all Charges made with respect to the Owner on the Owner's Lot. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Lot against such Charge is made and also shall be the personal obligation of the Owner of the Lot 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 Association.

7.02 COLLECTION OF CHARGES: The Association shall collect from each Owner all Charges payable by such Owner under this Declaration.

7.03 NON-PAYMENT OF CHARGES: Any charge which is not paid to the Association when due shall be deemed delinquent. Any charge which is delinquent for thirty (30) days or more shall bear interest at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, from the due date to the date when paid. The 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. In addition, the Board may add a reasonable late fee to any installment of an assessment which is not paid within thirty (30) days of its due date. 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 Lot.

7.04 LIEN FOR CHARGES SUBORDINATED TO MORTGAGES: The lien for Charges, provided for in Section 7.01, shall be subordinate to the Mortgagee's mortgage on the Lot which was Recorded prior to the date that any such Charge became due. Except as hereinafter provided, the lien for Charges, provided for in Section 7.01, shall not be affected by any sale or transfer of a Lot. Where title to a Lot is transferred pursuant to decree of foreclosure of the Mortgagee's mortgage or, by deed or assignment in lieu of foreclosure of the Mortgagee's 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 transfer of the Lot shall be personally liable for his share of the Charges with respect to which a lien against his Lot 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 non-payment thereof shall result in a lien against the transferee's Lot, as provided in this Article.

7.05 SELF-HELP BY BOARD: In the event of a violation or breach by an Owner of the provisions, covenants or restrictions of the Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, then the Board, upon not less than ten (10) days' prior written notice to the Owner, shall have the right to enter upon that part of the Premises where the violation or breach exists to remove or rectify the violation or breach; provided, that, if the violation or breach exists within a Home, judicial proceedings must be instituted before any items of construction can be altered or demolished.

7.06 OTHER REMEDIES OF THE BOARD: In addition to or in conjunction with the remedies set forth above, to enforce any of the provisions contained in this Declaration or any rules and regulations adopted hereunder the Board may levy a fine or the Board may bring at action at law or in equity by the Association against any person or persons violating or attempting to violate any such provision, either to restrain such violations, required performance thereof, to recover sums due or payable or to recover damages or fines, and against the land to enforce any lien created hereunder, and failure by the Association or any Owner to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter.

7.07 COSTS AND EXPENSES: All costs and expenses incurred by the Board in connection with any action, proceedings or self-help in connection with 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 rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, until paid, shall be charged to and assessed against the defaulting Owner, and

the Association shall have a lien for all the same, upon his Lot as provided in Section 7.01.

7.08 ENFORCEMENT BY OWNERS: Enforcement of the provisions contained in this Declaration and the rules and regulations adopted hereunder may be by any proceeding 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 Lot to enforce any lien created hereunder. Provided, however, that in the event that the Association is addressing or has addressee said violation with the offending Owner, than all other owners are estopped from instituting the same or similar actions.

ARTICLE EIGHT

Use Restrictions

8.01 INDUSTRY/SIGNS: No Industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Community Area nor shall any "For Sale" or "For Rent" signs or any other advertising be maintained or permitted on any part of the Community Area, except as permitted by the Board or as permitted under Article Nine.

8.02 UNSIGHTLY USES: No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Lot or the Community Area. The Premises 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 Board.

8.03 RESIDENTIAL USE ONLY: Each time shall be issued only as a residence; provided that no Owner shall be precluded, with respect to his Home, from (i) maintaining a personal professional library, (ii) keeping his personal business record or accounts therein or handling his personal business or professional calls or correspondence therefrom.

8.04 PARKING. No commercial vehicle, recreational vehicle, snowmobile, motorcycle, or other motorized vehicle and no boat, trailer, or other similar personal property shall at any time be parked or stored on any portion of a Lot other than the driveway or the garage located on the Lot. Unless otherwise specifically permitted by the Board or pursuant to rules and regulations adopted by the Board, the driveway on a Lot may only be used to park commercial vehicles, recreational vehicles, snowmobiles, boats, trailers, or other similar vehicles for not more than twenty-four (24) hours at a time and to park operably motorcycles or automobiles. Except for emergencies, no repairs or maintenance work shall be performed on any vehicle on the Premises, except that such work may be performed if the vehicle is located wholly within a garage.

8.05 OBSTRUCTIONS: Except as permitted under Section 9.03 there shall be no obstruction of the Community Area, and nothing shall be stored in the Community Area without the prior written consent of the Board.

8.06 PETS: No animal of any kind shall be raised, bred or kept in the Community Area. The Board may from time to time adopt rules and regulations governing the (a) keeping of pets in the Home, which may include prohibiting certain species of pets from being kept in the Home, and (b) use of Community Areas by pets, including, without limitation, rules and regulations which set aside certain portions of the Community Area as a "dog run" or which require an Owner to clean up after his pet.

8.07 NO NUISANCE: No noxious or offensive activity shall be carried on in the Premises nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to other owners or residents.

8.08 SATELLITE DISHES/ANTENNAE: No antennae, radio receiver, satellite dish or similar apparatus shall be installed on a Lot outside of the Home; provided that a satellite dish of less than eighteen (18) inches in diameter may be installed in the rear or a side yard or on the exterior of the Home as long as the satellite dish is not visible from the front of the Lot.

8.09 STORMWATER AREA MAINTENANCE. The Association shall be required to maintain those portions of the Development designated on the Plat as a part of the stormwater detention facilities which is not otherwise on an individual Lot, a part of the public stormwater system, or on the portions of the Development being dedicated to the Zion Park District Maintenance of the stormwater system shall be conducted according to the maintenance plan attached hereto as Exhibit C and made a part hereof.

8.10 GENERAL SIGNAGE RESTRICTIONS: No sign of any kind shall be displayed to the public view on any Lot except:

A. one (1) sign of not more than five (5) square feet advertising the property for sale, "For Rent" or similar commercial sites shall not be allowed under any circumstances; or

B. one (1) sign of not more than five (5) square feet used by the builder to advertise the property during construction and sales period;

C. one (1) sign of not more than one (1) square feet indicating the presence of a home security system; and

D. temporary signs of no more than five (5) square feet advertising non-commercial political message for a political candidate, party or position. Such temporary signs may remain in place no longer than thirty 30 days.

Notwithstanding anything to the contrary in this Declaration, the Association through its officers is specifically authorized to enter upon any Lot and to exercise self-help in the removal of any sign which violates these restrictions. This self-help provision is in addition to, and not in lieu of, any right of the Association to impose penalties for violations of this section.

Upon written application from any Lot Owner, the Association may allow, but is not required to allow, signs not otherwise in conformity with this section.

8.11 LEASING PROHIBITIONS. The following provisions are hereby enacted with respect to Lots 119 through 239 inclusive:

- (a) Leasing Prohibited: Unless otherwise provided for in the Amendment, no Owner may enter into any lease, sublease or other tenancy arrangement for any Lot or any structure upon any Lot. Leasing, subleasing or other tenancy arrangements are, as of the date of this Amendment and hereinafter, prohibited in their entirety unless otherwise provided in this Declaration Amendment. For the purposes of this Section 8.11, any occupancy combination in which at least one Owner does not reside on the Lot shall be conclusively presumed a tenancy.
- (b) Exceptions to Lease Prohibition: The restrictions on leasing contained in this Section 8.11 may be waived as to a residential Lot, subject to the maximums set forth herein, by the Board upon a showing by the party requesting such waiver that applying such waiver to their particular facts and circumstances represents an undue economic hardship. Any Owner applying for exemption of the lease prohibition shall make written application to the Board no less than sixty (60) days prior to the date on which the Owner intends to lease or offer to lease or offer for lease the residence. The application shall set forth such facts as the Owner feels demonstrate the hardship which would result if the application were not approved. Exemptions, once approved, shall be effective for a period of twelve (12) months from the date of issuance. In reviewing exemption requests, the Board may apply any standard of review as it deems appropriate. In the event an Owner receives an exemption from the lease prohibition, said Owner shall not later than seven (7) days prior to the date on which a proposed lease is to take effect, provide the Board with a copy of a written lease made with the lessee of the residence, together with tenant contact information.
- (c) Maximum Number of Hardship Exemptions: At no time may the total number of hardship exemptions made pursuant to section 8.11(b) hereinabove exceed ten (10).
- (d) Penalties for Violation: Notwithstanding anything in the Declaration to the contrary, violation of this Section 8.10 shall carry a fine of \$100.00 per day for each day a residence is occupied by anyone other than an Owner and their family. In addition, and not in lieu of the foregoing, the Board and or Association shall have the right to enforce this prohibition by any proceeding at law or in equity, and may pursue any or all remedies set forth in this Declaration or any rules or regulations promulgated thereunder.
- (e) Legal Contest: In the event of any legal contest or challenge to the provisions of this Section 8.11, the party raising the contest or challenge shall pay all costs and expenses relating to the contest or challenge, including those attorney's fees and costs of the Association and the Board, regardless of the outcome of such contest.

ARTICLE NINE
Amendment

9.01 SPECIAL AMENDMENTS: Anything herein to the contrary notwithstanding 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 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 Lots, (iii) to correct errors in the Declaration or any Exhibit, or (iv) to bring the Declaration into compliance with applicable laws ordinances or governmental regulations.

9.02 AMENDMENT: Subject to Section 9.01 and Article Ten, the provisions of this Declaration may be amended, abolished, modified, enlarged, or otherwise changed in whole or in part by the affirmative vote of Voting Member's representing as least Seventy-Five percent of the total votes or by as instrument executed by Owners of at least Seventy-Five Percent (75%) or the Lots; except, that (i) the provisions of this Section 9.02 may be amended only by an instrument executed by all of the Owners and all Mortgagee; (ii) no amendment to the Declaration which changes the ratio of assessments against Owners shall become effective without the consent of all Mortgagees, (iii) no amendment which expands the purposes of the Association, expands the definition of the Community Expenses or expands the purpose of assessments shall become effective without the consent of all Mortgagees, and (iv) no amendment shall be made to the provisions of Article 14 without the prior written consent of the City. No amendment which removes Premises from the provisions of this Declaration shall be effective if as a result of such removal, an Owner of a Lot shall no longer have the legal access to a public way from his Lot. No amendment shall become effective until properly Recorded.

ARTICLE TEN
Mortgagees Rights

10.01 NOTICE TO MORTGAGEES: Upon the specific, written request of Mortgagee or the insurer or guarantor of a Mortgagee's mortgage, such party shall receive some or all of the following:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owner of the Lot covered by the Mortgagee's mortgage;

(b) Any audited or an audited financial statements of Association which are prepared for the Association and distributed to the Owners; provided, that, if an audited statement is not available, then upon the written request of the holder, insurer or guarantor of a Mortgage, the Association shall permit such party to have an audited

statement for the preceding fiscal year of the Association prepared at such party's expense;

(c) Copies of notices of meetings of the Owners;

(d) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Community Area;

(e) Notice of any default by the Owner of the Lot which is subject to the Mortgagee's mortgage under this Declaration, the By-Laws or the rules and regulations of the Association which is not cured within 30 days of the date of the default;

(f) The right to examine the books and records of the Association at any reasonable times; and

(g) A lapse, cancellation of material modification of any insurance policy or Fidelity bond maintained by the Association.

The request of any such party shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association.

10.02 INSURANCE PROCEEDS/CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of damage to, or detraction of any part of the Community Area, or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Community Area any such distribution shall be made to the Owners and their respective Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the Mortgage of a Lot with respect to any such distribution to or with respect to such Lot; provided, that, nothing in this Section shall be construed to deny to the Association the right (i) to apply insurance proceeds to repair or replace damaged Community Area, or (ii) to apply proceeds of any award or settlement as a result of Eminent Domain proceedings as provided in Article Four.

ARTICLE ELEVEN

City Rights

11.01 IN GENERAL: In addition to any rights, powers, or easements granted to the city elsewhere in this Declaration, the City shall have the rights, powers, or easements set forth in this Article.

11.02 ENFORCEMENT: The City is hereby granted the right, but not the obligation, to enforce covenants and obligations of the Association or the Owners. If the Association or one or more Owners fail to comply with any such covenants and obligations, the City shall have the rights (but shall not be obligated) to give notice to the Association or the offending Owner or Owners of its, his or their failure to perform its, his or their obligations. Except in the case of an emergency, if such notice is given and the Association or the offending Owner or Owners do not

perform to the satisfaction of the City within ten (10) days after the giving of such notice, then the City may (but shall not be obligated to) enter upon the Premises and perform any and all work which it deems necessary and appropriate, either directly or through contractors engaged by the City. The Association or the offending Owner or Owners shall, upon demand, reimburse the City for the reasonable cost of such work. Any amounts due to the City not paid within thirty (30) days after demand shall bear interest at and equal to four percent (4%) in excess of the Prime Rate as published by the Wall Street Journal and/or by Bank-One, whichever is greater. If payment is not made within thirty (30) days after demand, then the amount due, plus interest and reasonable costs of collection, including reasonable attorneys' fees, shall become a lien on the property of the offending Owner or Owners or, in the case of the Association, the property of the Association; provided, however, that such lien shall be subordinate to the lien of any first mortgage on a Lot Recorded prior to the date on which any such cost becomes a lien against the Lot as provided above.

11.03 MAINTENANCE: The Association shall maintain the Community Area in compliance with all applicable laws and ordinances of the City and all governmental bodies having jurisdiction over the Premises, as such laws and ordinances may be amended and enforced from time to time.

11.04 SPECIAL SERVICE AREA: In the event that the Association or Owners fail to maintain the community areas, the City may establish, but is not obligated to establish what is commonly known as a Special Service Area ("SSA") pursuant to Illinois Compiled Statutes, 35 ILCS 200/27-5, to provide a tax base whereby the City may levy taxes against Lots located in the Development in order to generate funds to pay the cost of maintaining Community Areas within the Development. Upon establishment of the SSA, and on demand of the City, the Association or Owners shall convey the Community Areas to the City, and except as provided for in Section 11.03, the Association shall have no further obligation to maintain, repair or replace such Community Areas.

11.05 RECONVEYANCE BY MUNICIPALITY: If, after the Community Area has been conveyed to the City, and an SSA has been established, the City subsequently determines in its reasonable judgment that it is no longer legally permitted to utilize the SSA in order to levy sufficient funds to pay the cost of maintaining such Community Area then the City may invoke the provisions of this Section. In such case, if the Association still exists, the City shall have the right and power to reconvey to the Association, some or all of the Community Area then owned by the City, whereupon the Association shall once again become obligated to maintain, repair and replace such Community Area, if however, the Association has been dissolved, (i) the City shall cause the Association to be reinstated, if possible, (ii) the City shall convey some or all of the Community Area to the Association, and (iii) no later than thirty (30) days after the conveyance of the Community Area to the Association, the city shall call a meeting of the members as provided for under the By-Laws, and at such meeting a Board of Directors shall be elected. Within thirty (30) days after the reconveyance of such Community Area to the Association, and if applicable, the election of the Board of Directors, the City shall disburse the Association any funds then in the account for the SSA for the maintenance, repair or replacement of such Community area and such funds shall be used by the Association to pay the cost of maintaining, repairing and replacing the Community Areas as provided for in this Declaration.

In the event the City cannot reinstate the Association, the Owners shall reinstate it following notice from the City that they shall reinstate the Association.

ARTICLE TWELVE

Miscellaneous

12.01 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 Association at the time of such mailing, or (ii) when delivered personally to his Lot.

Any notice required to be sent or received or signature, vote, consent, or approval required to be obtained under any community instrument or any provision of the Common Interest Community Association Act may be accomplished using acceptable technological means. This Section governs the use of technology in implementing the provisions of any community instrument or any provision of the Common Interest Community Association Act concerning notices, signatures, votes, consents, or approvals.


12.02 CAPTIONS: The Article and Section headings 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, provisions in the body of this Declaration shall govern.

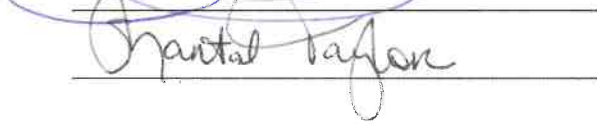
12.03 SEVERABILITY: Invalidation of all or any portion of any of the easements, restrictions, covenants, conditions, or reservations, by legislation, judgment or court order shall in no way affect any other provision of this Declaration which shall, find all other provisions, remain in full force and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


12.04 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 last to survive of the now living lawful descendants of George W. Bush, the former President of the United States.

12.05 TITLE HOLDING LAND TRUST: In the event title to any Lot is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all Charges and for the performance of all agreements, covenants and undertakings chargeable, or created under this Declaration against such Lot. 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 Lot and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Lot.

We, the undersigned, constitute at least two-thirds (2/3) of the members of the Board of Directors of Shepherd's Crossing Homeowners Association established by the aforesaid Declaration. By our signatures below, we hereby approve of and consent to this Amended and Restated Declaration pursuant to pursuant to Section 1-60 of the Illinois Common Interest Community Association Act. In witness, whereof we have cast our votes and signed this document in favor of this Amended and Restated Declaration at a duly called meeting of the Board of Directors of the Shepherd's Crossing Homeowners Association.










EXHIBIT A

SHEPHERDS CROSSING SUBDIVISION LEGAL DESCRIPTION

THAT PART OF THE NORTHWEST QUARTER OF SECTION 20 AND THAT PART OF THE NORTHEAST QUARTER OF SECTION 19, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF THE WEST HALF OF THE NORTH WEST QUARTER OF SAID SECTION 20, AND RUNNING THENCE WEST 53 AND EIGHTY HUNDREDTHS CHAINS TO A POINT WHICH IS SIX CHAINS EAST OF THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 19 AFORESAID; THENCE NORTH SEVENTEEN AND ONE QUARTER DEGREES EAST, TWENTY AND NINETY THREE HUNDREDTHS CHAINS TO A POINT ON THE CENTERLINE OF THE NORTHEAST QUARTER OF SECTION 19 AFORESAID; THENCE EAST ON SAID CENTERLINE EIGHT AND FOUR HUNDREDTHS CHAINS; THENCE NORTH FOUR AND SIXTY TWO HUNDREDTHS CHAINS; THENCE EAST THIRTY NINE AND THIRTY HUNDREDTHS CHAINS TO THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 20 AFORESAID; THENCE SOUTH 24 AND SIXTY TWO HUNDREDTHS CHAINS TO THE POINT OF BEGINNING (EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 19, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE EAST ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER, SIX CHAINS TO THE CENTER OF KENOSHA ROAD; THENCE NORTHEASTERLY ALONG THE CENTER OF SAID ROAD TWENTY AND NINETY THREE HUNDREDTHS CHAINS TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 19; THENCE EAST ALONG SAID SOUTH LINE , EIGHT AND THIRTY FOUR HUNDREDTHS CHAINS; THENCE NORTH FOUR AND SIXTY TWO HUNDREDTHS CHAINS; THENCE EAST ON A LINE THAT INTERSECTS THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 20, FIFTEEN AND THIRTY EIGHT HUNDREDTHS CHAINS SOUTH OF THE NORTH LINE OF SAID SECTION 20, TO A POINT 500 FEET WEST OF THE EAST LINE, OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 20, AND THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; THENCE CONTINUING EAST ON THE LAST DESCRIBED LINE, 500 FEET, TO THE EAST LINE OF THE WEST HALF OF SAID NORTHWEST QUARTER; THENCE SOUTH ALONG THE EAST LINE OF SAID WEST HALF, 436 FEET; THENCE WEST PARALLEL WITH THE NORTH LINE OF THE PARCEL HEREIN DESCRIBED; 500 FEET; THENCE NORTH PARALLEL WITH THE EAST OF SAID WEST HALF 436 FEET, TO THE POINT OF BEGINNING, AND ALSO EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 19, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE EAST ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER, SIX CHAINS TO THE CENTERLINE OF KENOSHA ROAD; THENCE NORTHEASTERLY ALONG THE CENTER OF SAID ROAD, TWENTY AND NINETY THREE HUNDREDTHS CHAINS TO THE SOUTH LINE OF THE NORTHWEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 19; THENCE EAST ALONG

SAID SOUTHLINE, EIGHT AND THIRTY FOUR HUNDREDTHS CHAINS TO THE POINT OF BEGINNING; THENCE NORTH FOUR AND SIXTY TWO HUNDREDTHS CHAINS; THENCE EAST ON A LINE THAT INTERSECTS THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 20, FIFTEEN AND THIRTY EIGHT HUNDREDTHS CHAINS SOUTH OF THE NORTH LINE OF SAID SECTION 20, TO A POINT 500 FEET WEST OF SAID EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 20, THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID WEST HALF, 436 FEET; THENCE SOUTHWESTERLY, 362.00 FEET, TO A POINT THAT IS 455 FEET SOUTH AND NORMAL DISTANCE FROM THE NORTH LINE OF THE PARCEL HEREIN DESCRIBED; THENCE WEST PARALLEL WITH THE NORTH LINE HEREIN DESCRIBED 1355.57 FEET; THENCE NORTHWESTERLY 364.00 FEET, TO A POINT THAT IS 305.54 FEET SOUTH AND NORMAL DISTANCE FROM THE NORTH LINE OF THE PARCEL HEREIN DESCRIBED; THENCE WEST 45.00 FEET TO THE POINT OF BEGINNING, ALL IN LAKE COUNTY ILLINOIS.

LEGAL DESCRIPTION - EXHIBIT A

Phase I

All of Shepherds Crossing Phase I, being a subdivision of the Northeast Quarter of Section 19 and the Northwest Quarter of Section 19, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof recorded February 18, 2004 as Document 5501497, in Lake County, Illinois.

Phase II

All of Shepherds Crossing Phase III, being a subdivision of the Northeast Quarter of Section 19, and the Northwest Quarter of Section 19, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof recorded June 30, 2004 as Document 5592924, in Lake County, Illinois.

Phase III

All of Shepherds Crossing Phase III, being a subdivision of the Northeast Quarter of Section 19, and the Northwest Quarter of Section 19, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof recorded January 21, 2005 as Document 5722181, in Lake County, Illinois.

Phase IV

All of Shepherds Crossing Phase IV, being a subdivision of the Northeast Quarter of Section 19, and the Northwest Quarter of Section 20, Township 46 North, Range 12, East of the Third Principal Meridian, according to the plat thereof recorded January 21, 2005 as Document 5722182, in Lake County, Illinois.

PIN: 04-20-200-019
04-20-100-014

EXHIBIT B

PHASE I SHEPHERDS CROSSING

THAT PART OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 19, LYING EASTERLY OF THE CENTERLINE OF KENOSHA ROAD (COUNTY HIGHWAY 53) AND THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 20, IN TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF NORTHWEST QUARTER OF SAID SECTION 20; THENCE SOUTH ALONG THE EAST LINE THEREOF A DISTANCE OF 133.48 FEET TO A POINT 1451.08 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 20; THENCE SOUTH 89 DEGREES 15 MINUTES 23 SECONDS WEST, A DISTANCE OF 499.81 FEET; THENCE SOUTH 87 DEGREES 44 MINUTES 10 SECONDS WEST; A DISTANCE OF 361.92 FEET; THENCE SOUTH 89 DEGREES 14 MINUTES 46 SECONDS WEST, A DISTANCE OF 1355.58 FEET; THENCE NORTH 65 DEGREES 00 MINUTES 18 SECONDS WEST, A DISTANCE OF 364.0 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 19; THENCE EAST ALONG THE NORTH LINE OF THE SMITH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 19 AND ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 20 TO THE POINT OF BEGINNING) IN LAKE COUNTY, ILLINOIS.

AMENDED AND RESTATED BY-LAWS OF
SHEPHERDS CROSSING HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the not-for-profit corporation is the Shepherds Crossing Homeowners Association ("Association"). The principal office of the Association shall be located at Zion, Illinois, but meetings of members and directors may be held at such places within the State of Illinois, County of Lake as may be designated by the Board of Directors ("Board").

ARTICLE II

BOARD OF MANAGERS

Section 1. Board of Managers (Board of Directors).

(a) The Board of Directors, also known as the Board of Managers, shall consist of three (3) persons who shall be appointed or elected in the manner herein provided, or such greater number as may be determined by Board resolution. Each member of the Board shall be a Lot Owner and shall reside on the Premises, provided, however, that in the event a Lot Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer, director or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board, provided such person must reside on the Premises.

(b) In all elections for members of the Board, each Voting Member shall be entitled to cumulate his votes in the manner provided by law and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Board members shall be elected for a term of two (2) years each, provided, however, Board members may succeed themselves. Members of the Board shall receive no compensation for their services, unless expressly authorized by the Board with the approval of Voting Members having two-thirds (2/3) of the total votes. If there is a vacancy on the Board, the remaining members of the Board may fill the vacancy by a two-thirds (2/3) vote of the remaining Board members until the next annual meeting of the membership or until Members holding twenty percent (20%) of the votes of the Association request a meeting of the Members to fill the vacancy for the balance of the term. A meeting of the Members shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by Members holding twenty percent (20%) of the votes of the Association requesting such a meeting. Except as otherwise provided in the Declaration, the Premises shall be managed by the Board and the Board shall act by majority vote of those present at its meetings at which a quorum exists. A majority of the total number of the members of the Board shall constitute a quorum.

(c) A Member may vote:

(1) by proxy executed in writing by the Member or by his or her duly authorized attorney in fact, provided, however, that the proxy bears the date of execution. Unless the community instruments or the written proxy itself provide otherwise, proxies will not be valid for more than eleven (11) months after the date of its execution; or

(2) by submitting an Association-issued ballot in person at the election meeting; or

(3) by submitting an Association-issued ballot to the Association or its designated agent by mail or other means of delivery specified in the Declaration or By-Laws; or

(4) by any electronic or acceptable technological means.

Votes cast under any paragraph of this subsection are valid for the purpose of establishing a quorum.

(d) The Association may, upon adoption of the appropriate rules by the Board, conduct elections by electronic or acceptable technological means. Members may not vote by proxy in Board elections. Instructions regarding the use of electronic means or acceptable technological means for voting shall be distributed to all Members not less than ten (10) and not more than thirty (30) days before the election meeting. The instruction notice must include the names of all candidates who have given the Board or its authorized agent timely written notice of their candidacy and must give the person voting through electronic or acceptable technological means the opportunity to cast votes for candidates whose names do not appear on the ballot. The Board rules shall provide and the instructions provided to the Member shall state that a Member who submits a vote using electronic or acceptable technological means may request and cast a ballot in person at the election meeting, and thereby void any vote previously submitted by that Member.

(e) A candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of ballots at such election.

(f) The Association may not enter into a contract with a current Board member, or with a corporation, limited liability company, or partnership in which a Board member or a member of his or her immediate family has twenty-five (25%) or more interest, unless notice of intent to enter into the contract is given to Members within twenty (20) days after a decision is made to enter into the contract and the Members are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the membership, for an election to approve or disapprove the contract; such petition shall be filed within twenty (20) days after such notice and such election shall be held within thirty (30) days after filing the petition. For purposes of this provision, a Board member's immediate family means the Board member's spouse, parents, siblings, and children.

Section 2. Officers. The Board shall elect from among its members a President who shall preside over both its meetings and those of the Voting Members, and who shall be the chief executive officer of the Board and the Association and who shall execute amendments to the Declaration and By-Laws; a Secretary who shall keep the minutes of all meetings of the Board and of the Voting Members, who shall mail and receive all notices, and who shall, in general, perform all the duties incident to the office of Secretary; a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. Provided, however, no officer shall be elected for a term of more than two (2) years. However, any officer may succeed himself in any office.

Section 3. Removal. Any Board member may be removed from office by affirmative vote of the Voting Members having at least two-thirds (2/3) of the total votes, at any special meeting called for that purpose. A successor to fill the unexpired term of a Board member removed may be elected by the Voting Members at the same meeting or any subsequent annual meeting or special meeting called for that purpose, such meeting to be held within thirty (30) days after the special meeting which removed the Board-member.

Section 4. Meetings. The Board shall meet at least four (4) times annually, on the first Monday of February, May, August and November and at such other times as the Board deems necessary. Except to the extent otherwise provided by the Common Interest Community Association Act, the Board shall give the Members notice of all Board meetings at least forty-eight (48) hours prior to the meeting by sending notice by using a prescribed delivery method or by posting copies of notices of meetings in entranceways, elevators, or other conspicuous places in the common areas of the common interest community at least forty-eight (48) hours prior to the meeting except where there is no common entranceway for seven (7) or more Units, the Board may designate one or more locations in the proximity of these Units where the notices of meetings shall be posted. The Board shall give Members notice of any Board meeting, through a prescribed delivery method, concerning the adoption of (i) the proposed annual budget, (ii) regular assessments, or (iii) a separate or special assessment within ten (10) to sixty (60) days prior to the meeting, unless otherwise provided in Section 1-45(a) or any other provision of the Common Interest Community Association Act.

Meetings of the Board shall be open to any Unit Owner, except that the Board may close any portion of a noticed meeting or meet separately from a noticed meeting: (i) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Association finds that such an action is probable or imminent, (ii) to discuss third party contracts or information regarding appointment, employment, engagement, or dismissal of an employee, independent contractor, agent, or other provider of goods and services, (iii) to interview a potential employee, independent contractor, agent, or other provider of goods and services, (iv) to discuss violations of rules and regulations of the Association, (v) to discuss a member's or unit owner's unpaid share of common expenses, or (vi) to consult with the association's legal counsel. Any vote on these matters shall be taken at a meeting or portion thereof open to any Member.

The Board must reserve a portion of the meeting of the Board for comments by Members; provided, however, the duration and meeting order for the Member comment period is within the sole discretion of the Board.

Section 5. General Powers of the Board. In addition to the duties and powers inherently charged to and possessed by the Association as an Illinois not-for-profit corporation and the duties and powers enumerated herein and in its Articles of Incorporation and Declaration, or elsewhere provided for, and without limiting the generality of the same, the Association shall have the following duties and powers:

- (a) preparation, adoption and distribution of the annual budget for the Premises;
- (b) levying of Community Assessments;

- (c) collection of Community Assessments from Owners;
- (d) owning, conveying, encumbering, leasing and otherwise dealing with Lots conveyed to or purchased by it;
- (e) to grant easements or licenses over the Common Areas;
- (f) keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Premises;
- (g) to have access to each Lot from time to time as may be necessary for the maintenance, repair or replacement of the Community Area therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Community Area or to other Lot or Lots;
- (h) to pay any amount necessary to discharge any mechanic's lien or other encumbrance against the Premises or any part thereof which may in the opinion of the Board constitute a lien against the Premises or against the Community Area rather than merely against the interests therein of particular Lot Owners. Where one or more Lot Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred (including attorney's fees, if any) by the Board by reason of said lien or liens shall be specially assessed to said Lot Owner or Lot Owners;
- (i) to maintain and repair any Lot if such maintenance or repair is necessary, in the discretion of the Board, to protect the Community Area or any other portion of the Premises, and a Lot Owner of any Lot that has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair mailed or delivered by the Board to said Lot Owner, provided that the Board shall levy a special assessment against such Lot Owner for the cost of said maintenance or repair;
- (j) The Board shall have the power to seek relief from or in connection with the assessment or levy of any general real estate taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful assessing body, which are authorized by law to be assessed and levied on the Community Area and to charge all expenses incurred in connection therewith to the Association.
- (k) the Board's powers hereinabove enumerated and described in the Declaration, shall be limited in that the Board shall have no authority to acquire and pay for any structural alterations, additions to, or improvements of the Lots requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00), without in each case the prior approval of Voting Members having two-thirds (2/3) of the total votes;
- (l) all agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the

absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board;

(m) the Board may adopt such reasonable rules and regulations, not inconsistent herewith, as it may deem advisable for the maintenance, administration, management, operation, use, conservation and beautification of the Premises, and for the health, comfort, safety and general welfare of the Lot Owners and occupants of the Premises. Written notice of such rules and regulations shall be given to all Lot Owners and Occupants and the Premises shall at all times be maintained subject to such rules and regulations;

(n) the Board may engage the services of an agent to manage the Premises to the extent deemed advisable by the Board;

(o) nothing hereinabove contained shall be construed to give the Board, Association, or Lot Owners authority to conduct an active business for profit on behalf of all the Lot Owners or any one of them;

ARTICLE III

COMMITTEES

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

Section 2. Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the members of the Board present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Lot Owners, and the President of the Association, shall appoint the members thereof. Any member thereof may be removed whenever in the judgment of the Board the best interests of the Association shall be served by such removal.

Section 3. Each member of a committee shall continue as such until the next annual meeting of the Board or until his successor is appointed and shall have qualified or until the Board shall relieve him from his role as a committee member, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

Section 4. One (1) member of each committee shall be appointed chairman.

Section 5. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointment.

Section 6. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. Each committee may adopt rules for its own governance not inconsistent with these By-Laws or with rules adopted by the Board.

ARTICLE IV

MEMBERSHIP MEETINGS

A. Meetings of the Lot Owners shall be held at the principal office of the Association or at such other place in the City of Zion, Illinois as may be designated in any notice of a meeting, any Lot owners in writing may waive notice of a meeting or consent to any action of the Association without a Meeting. Notice of any membership meeting shall be given detailing the time, place, and purpose of such meeting no less than ten (10) and no more than thirty (30) days prior to the meeting through a prescribed delivery method.

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

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

ARTICLE V

BOOKS AND RECORDS

A. The Board shall maintain the following records of the Association and make them available for examination and copying at convenient hours of weekdays by any Member or Unit Owner, their mortgagees, and their duly authorized agents or attorneys:

1. Copies of the recorded Declaration, other community instruments, other duly recorded covenants and By-Laws and any amendments, articles of incorporation, articles of organization, annual reports, and any rules and regulations adopted by the Board shall be available.

2. Detailed and accurate records in chronological order of the receipts and expenditures affecting the common areas, specifying and itemizing the maintenance and repair

expenses of the common areas and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Board shall be maintained.

3. The minutes of all meetings of the Board which shall be maintained for not less than 7 years.

4. With a written statement of a proper purpose, ballots and proxies related thereto, if any, for any election held for the Board and for any other matters voted on by the Members, which shall be maintained for not less than one year.

5. With a written statement of a proper purpose, such other records of the Board as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986 shall be maintained.

6. With respect to units owned by a land trust, a living trust, or other legal entity, the trustee, officer, or manager of the entity may designate, in writing, a person to cast votes on behalf of the Member or Unit Owner and a designation shall remain in effect until a subsequent document is filed with the Association.

B. A reasonable fee may be charged by the Board for the cost of retrieving and copying records properly requested.

ARTICLE VI

AMENDMENTS

These By-Laws may be amended or modified from time to time by action or approval of seventy five percent (75%) of the Owners of Lots. Such Amendments shall be recorded in the Office of the Recorder of Deeds of Lake County, Illinois.

ARTICLE VII

INTERPRETATION

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