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**DECLARATION FOR GREGG'S LANDING NORTH**

# DECLARATION FOR GREGG'S LANDING NORTH

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## DECLARATION FOR GREGG'S LANDING NORTH

This Declaration is made by G.A.Z., Inc., an Illinois corporation, its successors and assigns ("Declarant").

### RECITALS

Declarant is the record title holder of the Development Area which is legally described in Exhibit A hereto and depicted on the Site Plan attached hereto as Exhibit B. The Development Area shall be the subject of a development called "Gregg's Landing North" (the "Development").

The Declarant has formed (or will form) the Association under the Illinois General Not-For-Profit Corporation Act. The Association shall be responsible for administering and maintaining the Community Area and certain Association Maintained Public Green Areas and shall set budgets and fix assessments to pay the expenses incurred in connection therewith. Each Owner of a Dwelling Unit and each Owner of an Unbuilt Dwelling Unit shall be a member of the Association and shall be responsible for paying assessments with respect to each Dwelling Unit and/or Unbuilt Dwelling Unit owned by such Owner.

During the construction and marketing of the Development, the Declarant shall retain certain rights set forth in this Declaration, which rights shall include, without limitation, the right, prior to the Turnover Date, to appoint all members of the Board, as more fully described in Article Nine, the right to come upon the Development Area in connection with Declarant's efforts to sell portions of the Development Area and other rights reserved in Article Nine.

The Village shall have the right and power (but shall not be obligated) to enforce the covenants and obligations of the Association and Owners hereunder, as more fully provided in Section 7.09.

NOW, THEREFORE, the Declarant hereby declares as follows:

### ARTICLE ONE

#### Definitions

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

1.01 ASSOCIATION: Gregg's Landing North Homeowners Association, an Illinois not-for-profit corporation, its successors and assigns.

1.02 ASSOCIATION MAINTAINED PUBLIC GREEN AREAS: Those portions of dedicated rights of way which serve the Development, those portions of the Development Area, and those portions of real estate located adjacent to the Development which are, or will be,

owned by the Village, the Park District or another governmental entity and which are legally described in Part III of Exhibit A hereto, as Exhibit A may be amended from time to time.

1.03 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.

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

1.05 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 By-Laws.

1.06 COMMUNITY AREA: Those portions of the Development Area, including areas which are subject to easements in favor of the Association, which are legally described in Part II of Exhibit A hereto, as Exhibit A may be amended from time to time.

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

1.08 COMMUNITY EXPENSES: The expenses of administration (including management and professional services), operation, maintenance, repair, replacement and landscaping of the Community Area and Association Maintained Public Green Areas; 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, 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 and Association Maintained Public Green Areas; and any other expenses designated as Community Expenses by this Declaration.

1.09 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.

1.10 DECLARANT: G.A.Z., Inc., an Illinois corporation, its successors and assigns.

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

1.12 DEVELOPMENT AREA: The real estate described in Part I of Exhibit A hereto with all improvements thereon and rights appurtenant thereto, as Exhibit A may be amended from time to time as more fully provided in Article Thirteen.

1.13 DWELLING UNIT: A portion of the Development Area which is improved with a single family residential unit for which a temporary, conditional or final certificate of occupancy has been issued by the Village. A Dwelling Unit may be a subdivided lot which is improved

with a single family detached home, a subdivided lot (or a portion of a subdivided lot) which is improved with a single family attached home, a condominium unit or a rental unit in a multi unit building.

1.14 EXPANSION AREA: All lots and outlots in Gregg's Landing North Subdivision other than those lots and outlots legally described in Part I of Exhibit A hereto and all real estate located within two thousand (2000) feet of the perimeter of the Gregg's Landing North Subdivision. It is not intended that any of the covenants, conditions, restrictions or easements provided for herein shall apply to any portion of the Expansion Area except and to the extent that a portion thereof is made subject to the provisions hereof as part of the Development Area pursuant to the provisions of Article Thirteen,

1.15 GREGG'S LANDING NORTH LOT: Each of Lots 1, 2, 3, 5, 6 and 8 through 18, both inclusive, and Lots A, B, C, D and E in Gregg's Landing North Subdivision.

1.16 GREGG'S LANDING NORTH SUBDIVISION: The subdivision created by the Plat of Subdivision for Gregg's Landing North, which was Recorded in Lake County, Illinois immediately prior to this Declaration.

1.17 MORTGAGEE: The holder of a bona fide first mortgage, first trust deed or equivalent security interest covering a Dwelling Unit or an Unbuilt Dwelling Unit.

1.18 NON-OWNER: A person other than an Owner or a Resident.

1.19 OWNER: A Record owner, whether one or more persons, of fee simple title to a Dwelling Unit or an Unbuilt Dwelling Unit, as the context requires.

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

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

1.22 RESIDENT: An individual who legally resides in a Dwelling Unit.

1.23 RESUBDIVIDED LAND: Those portions of a Gregg's Landing North Lot which from time to time are subject to a Recorded Resubdivision Plat, with all improvements thereon and rights appurtenant thereto.

1.24 RESUBDIVISION PLAT: A plat of subdivision which resubdivides a portion of a Gregg's Landing North Lot into lots and/or outlots.

1.25 SITE PLAN: The Site Plan which is attached hereto as Exhibit B, as Exhibit B may be amended from time to time. The Site Plan shall show, as of the date shown on the Site Plan:

(a) The Development Area and all dedicated rights of way which serve the Development Area;

(b) Each Gregg's Landing North Lot and the number of dwellings planned to be constructed thereon;

(c) The Community Area, including outlots on which monument signs shall be located; and

(d) The Association Maintained Public Green Areas.

1.26 SPECIAL DEVELOPMENT RIGHTS AREA: A portion of the Development Area which is subject to Special Development Rights granted by the Declarant to a Special Development Rights Holder.

1.27 SPECIAL DEVELOPMENT RIGHTS HOLDER: A Person which acquires title to a Special Rights Development Area and to which Declarant grants Special Development Rights with respect to such Special Development Rights Area.

1.28 SPECIAL DEVELOPMENT RIGHTS: Any one or more of the following rights which may be granted by Declarant to a Special Development Rights Holder with respect to a Special Development Rights Area, pursuant to Article Twelve hereof:

(a) The right to construct homes and to temporarily store construction equipment and materials on such Special Development Rights Area;

(b) The right to construct and maintain model homes, temporary sales or leasing offices, temporary parking areas, signs, lighting, banners and other promotional materials and facilities on such Special Development Rights Area; and

(c) The right to use the Community Area for the purpose of showing Development Area to prospective purchasers of homes within the Special Development Rights Area.

1.29 TURNOVER DATE: The date on which the rights of the Declarant to designate the members of the Board are terminated under Section 9.05.

1.30 UNBUILT DWELLING UNIT: A portion of the Development Area which is intended to be improved with a residential unit but with respect to which a temporary, conditional or final certificate of occupancy has not been issued by the Village. An Unbuilt Dwelling Unit may consist of a subdivided lot upon which a single family detached home may be constructed, a subdivided lot (or a portion of a subdivided lot) upon which an attached single family home may be constructed or a subdivided or unsubdivided portion of the Development Area upon which residential units may be constructed. For purposes hereof, each portion of the Development Area which, pursuant to the Site Plan, may be improved with residential units with respect to which a temporary, conditional or final certificates of occupancy have not yet been issued, shall be deemed to include that number of Unbuilt Dwelling Units which is equal to the number of homes which may be constructed thereon pursuant to the Site Plan.



1.31 VILLAGE: The Village of Vernon Hills, Illinois or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the Village as of the Recording of this Declaration.

1.32 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: Declarant, as the owner of fee simple title to the Development Area, expressly intends to and by Recording this Declaration, does hereby subject the Development Area to the provisions of this Declaration. Declarant reserves the right and power to add portions of the Expansion Area to the Development Area from time to time as more fully provided in Article Thirteen.

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 Development Area. 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 revoked, changed or amended in whole or in part by a Recorded instrument executed by (i) the Owners of not less than three-fourths (3/4) of the Dwelling Units and Unbuilt Dwelling Units, and (ii) the Village.

ARTICLE THREE  
Maintenance by Association

3.01 IN GENERAL: The restrictions and limitations contained in this Article shall be subject to the rights of the Declarant set forth in Article Nine.

3.02 OWNERSHIP: Each Outlot which is designated as part of the Community Area in Section II of Exhibit A hereto, as Exhibit A may be amended from time to time, shall be conveyed to the Association free and clear of any mortgage or trust deed whatsoever on or before the Turnover Date; provided, that, if an outlot is designated as Community Area on a Resubdivision Plat which is Recorded after the Turnover Date, such Community Area shall be conveyed to the Association free and clear of any mortgage or trust deed whatsoever immediately after the Recording of the Resubdivision Plat.

3.03 RIGHT OF ENJOYMENT: Each Owner shall have the non-exclusive right and easement to use and enjoy the Community Area. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Dwelling Unit and Unbuilt Dwelling Unit, 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.

3.04 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 Dwelling Unit to Residents of his Dwelling Unit. An Owner shall delegate such rights to tenants and contract purchasers of the Dwelling Unit who are Residents.

3.05 MAINTENANCE, REPAIR AND REPLACEMENT:

(a) The following maintenance, repairs and replacements shall be furnished by the Association as a Community Expense:

(1) added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Community Area and Association Maintained Public Green Areas, including, without limitation, the watering of landscaping, as determined from time to time by the Board and the replacement of dead or diseased trees, shrubs, grass or other landscaping which is no longer under warranty from the initial installer thereof;

(2) maintenance, repair and replacement of all improvements located on the Community Area including, without limitation fences, if any, and monument signs;

(3) maintenance of portions of the Community Area, if any, which are designated as "wetlands" by the U.S. Army Corps of Engineers, which maintenance shall follow guidelines, if any, and the terms and conditions of any permits from time to time issued

by the U.S. Army Corps of Engineers or any other governmental authority which has jurisdiction over maintenance of wetlands; and

(4) maintenance, repair and replacement of those improvements, if any, located on Association Maintained Public Green Areas which are designated in Part IV of Exhibit A, as Exhibit A may be amended from time to time, as being the responsibility of the Association to maintain. Such improvements may include improvements used to facilitate the watering of landscaping located on Association Maintained Public Green Areas or Community Area or fences installed by the Declarant or the Association on Association Maintained Public Green Areas. Anything herein to the contrary notwithstanding, unless specifically agreed to, in writing, by the Association, as provided in (b) below, the Association shall have no responsibility for maintaining, repairing or replacing any roads or bicycle paths located on dedicated rights of way which serve the Development or on real estate within, or adjacent to, the Development which is owned by the Village, the park district or any other governmental entity.

(b) The Association may from time to time enter into agreements with the Village or any other entity which owns or is responsible for maintaining property which is part of or adjacent to the Development Area (including, without limitation, portions of the golf course adjacent to the Development or portions of Gregg's Landing South) under which (i) the Association assumes responsibility for maintenance of areas which it is not specifically required to maintain hereunder or under applicable Village ordinances and (ii) the cost of such maintenance is shared between the Association and such other entity if, and to the extent provided for in, the agreement. Any costs which are the responsibility of the Association under any such agreement shall be a Community Expense hereunder.

(c) With respect to any portion of the Community Area which is to be improved by the Declarant, a Special Development Rights Holder or other party, such portion shall be maintained by the party which is responsible for making the improvements until such time as the required improvements have been completed and any bond therefor which was posted with the Village to insure completion thereof has been released (or reduced to a maintenance bond); thereafter, such portion of the Community Area shall be maintained by the Association.

(d) Without limiting the foregoing, the Association shall conform to landscape maintenance standards from time to time agreed upon between the Village and the Association.

3.06 ALTERATIONS, ADDITIONS OR IMPROVEMENTS: No alterations, additions or improvements shall be made to the Community Area or Association Maintained Public Green Areas without the prior approval of the Board and, if required under applicable Village ordinances, the approval of the Village. The Association may cause alterations, additions or improvements to be made to the Community Area or Association Maintained Public Green Areas, and the cost thereof shall be paid from a special assessment, as more fully described in Section 6.05; except, that, any such alteration, addition or improvement which shall cost more than six (6) 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 damage, in such limits as it shall deem desirable, and workmen's compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, the Association, its directors and officers, the Declarant, the managing agent, if any, and their respective employees and agents, as their interests may appear, from liability resulting from an occurrence on, or in connection with, the Community Area or Association Maintained Public Green Areas. The Board may, in its discretion, obtain any other insurance which it deems advisable including, without limitation, insurance covering the directors and officers from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 5.06. Such insurance coverage shall include cross liability claims of one or more insured parties.

(c) Fidelity bonds indemnifying the Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling funds of the Association may be obtained by the Association in such amounts as the Board may deem desirable.

(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 owned by the Association, 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, is executed by the President of the Association and Recorded.

ARTICLE FIVE  
The Association

5.01 IN GENERAL: Declarant has caused or shall cause the Association to be 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 of the administration, operation, maintenance, repair and replacement of the Community Area and the maintenance of Association Maintained Public Green Areas, as provided herein.

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

5.03 VOTING MEMBERS: Subject to the provisions of Section 5.05, 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 Dwelling Unit and each Unbuilt Dwelling Unit. 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 Dwelling Unit or an Unbuilt Dwelling Unit 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 Dwelling Unit shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Dwelling Unit or the Unbuilt Dwelling Unit as the Voting Member for such Dwelling Unit.

5.04 BOARD: Subject to the rights retained by the Declarant under Section 9.05, 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: Prior to the Turnover Date, all of the voting rights at each meeting of the Association shall be vested exclusively in the Declarant and the Owners (other than Declarant) shall have no voting rights. From and after the Turnover Date, 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 Dwelling Unit and each Unbuilt Dwelling Unit which the Voting Member represents. From and after the Turnover Date 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, and his or her heirs, executors or administrators, against all contractual and other liabilities to others 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, counsel 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 is not 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 Declarant, or an entity controlled by the Declarant or an independent managing agent may be engaged by the Association to act as the managing agent for the Association and as managing agent shall be paid a reasonable fee for its services as fixed by a written agreement between the Association and the managing agent. 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 ninety (90) days written notice.

5.08 DISSOLUTION: Although it is currently anticipated that the Association will own and maintain the Community Area and will maintain the Association Maintained Public Green Areas, it is possible that a governmental agency may accept a dedication or conveyance of all of the Community Area and accept responsibility for maintenance, repair and replacement of the Community Area and Association Maintained Public Green Areas. If that occurs, then at the option of the Declarant (which may be exercised at any time prior to the Turnover Date) or at the option of the members of the Association (which may be exercised by action of the members after the Turnover Date), the Association shall be dissolved and liquidated and thereafter the provisions of this Declaration which deal with the powers and duties of the Association shall be null and void and of no further force and effect. Any distribution of assets of the Association shall be made to the Owners in equal amounts for each Dwelling Unit and each Unbuilt Dwelling Unit owned.

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 total votes 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 and Association Maintained Public Green Areas, administering the affairs of the Association, paying the Community Expenses, and accumulating reserves for any such expenses.

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

(1) The estimated Community 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 of 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 Dwelling Unit and each Unbuilt Dwelling Unit which is subject to assessment hereunder, which shall be equal to the Community Assessment divided by the number of Dwelling Units and Unbuilt Dwelling Units, so that each Owner shall pay equal Community Assessments for each Dwelling Unit or Unbuilt Dwelling Unit owned. The Community Assessment shall be paid in periodic installments as determined by the Board from time to time, but no less frequently than once each calendar year.

Anything herein to the contrary notwithstanding the following provisions shall apply with respect to the period prior to the Turnover Date. Any budget prepared by the Board prior to the Turnover Date shall be based on the assumptions that (i) the Development has been fully constructed as provided for from time to time on the Site Plan and (ii) all proposed dwelling units as shown on the Site Plan have been constructed and are occupied. Declarant shall not be

obligated to pay any Community Assessments to the Association prior to the Turnover Date. However, if with respect to the period commencing on the date of the Recording of this Declaration and ending on the Turnover Date, the amount of Community Assessments payable by Owners (other than Declarant), less the portions thereof which are to be added to Reserves, is less than the Community Expenses actually incurred with respect to such period, then the Declarant shall pay the difference to the Association. From time to time prior to the Turnover Date, the Declarant shall deposit with the Association amounts which reasonably approximate Declarant's obligation hereunder as estimated by the Declarant. A final accounting and settlement of the amount, if any, owed by Declarant to the Association shall be made as soon as practicable after the Turnover Date.

6.03 PAYMENT OF COMMUNITY ASSESSMENT: Each Owner of a Dwelling Unit or Unbuilt Dwelling Unit which is subject to assessment shall pay to the Association, or as the Board may direct, that portion of the Community Assessment which is payable by each Owner of a Dwelling Unit or Unbuilt Dwelling Unit under Section 6.02, at such times as the Board shall determine from time to time.

6.04 REVISED ASSESSMENT: If after the Turnover Date the Community Assessment proves inadequate for any reason (including nonpayment of any Owner's assessment) or proves to exceed funds reasonably needed, then the Board may increase or decrease the assessment payable under Section 6.02 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: After the Turnover Date the Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Community Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Community Area or Association Maintained Public Green Areas, 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 Dwelling Units and Unbuilt Dwelling Units in equal shares. No special assessment shall be adopted without the affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes cast on the question. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the 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 or Association Maintained Public Green Areas (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital 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 cost of anticipated major repairs or replacements to