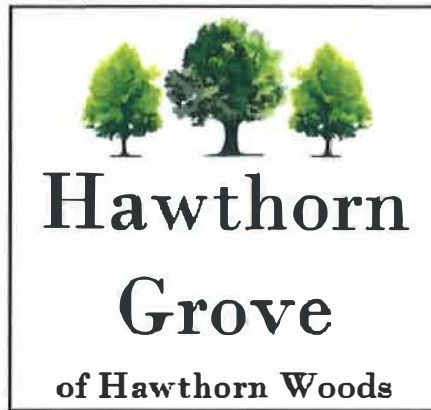




DECLARATION OF COVENANTS, BYLAWS AND RULES & REGULATIONS

- 1 -10 COVENANTS, CONDITIONS, EASEMENTS & RESTRICTIONS
- 11-12 DESCRIPTION OF PROPERTY
- 13-21 BYLAWS
- 22-23 RULES AND REGULATIONS
- 24-25 WETLANDS



HAWTHORN GROVE SUBDIVISION

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS

This Declaration made this 15th day of March, 2001 by HAWTHORN GOVE ASSOCIATES, LLC, an Illinois Limited Liability Company (hereinafter referred to as either the "Developer" or the "Declarant").

RECITALS:

- A. Developer is the title holder of that certain real property, consisting of approximately 109 acres, situated in the Village of Hawthorn Woods, Lake County, Illinois, the legal description of which is set forth on Exhibit A attachment hereto and made part hereof (the "Property").
- B. Developer as the Owner of the Property intends to develop the Property into single family residences.
- C. In order to preserve and enhance the value of the Property, developer will form an Illinois Not-For-Profit Corporation ("Association"), comprised of each of the Owners of the Lots within the Property, which will have the responsibility of maintenance of the Common Areas and enforcement of the restrictions, covenants and conditions as herein provided.
- D. The Association is obligated hereby to maintain, manage and preserve the Outlots and wetlands as set forth in the Plat of Subdivision and provided for herein in Article III, Section 1 and Article VII, Section 5 (see Exhibit D for guidelines on preservation of Wetlands).
- E. Declarant intends to subject the Property to the covenants, conditions, easements and restrictions hereinafter set forth, each and all of which are for the benefit of the Association.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following covenants, conditions, easements and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with the Property and be binding upon and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, their respective personal representatives, successors and assigns.

ARTICLE I

DEFINITIONS

Section 1. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot including contract sellers and title holding trusts. Each Lot, for the purposes of this Agreement, shall be deemed to have one Owner. Owner may also be referred to herein as a Unit Owner, Lot Owner or Homeowner.

Section 2. "Association" shall mean and refer to the Lot Owners' Association to be formed, its successors and assigns. The Association shall be the governing body for all of the Owners with respect to the administration, maintenance and repair of certain portions of the Property as provided herein and said Association shall be the legal representative for all matters and claims relating directly or indirectly to the Common Areas or matters of common interest to all Owners. Each owner shall automatically become and be a member of the Association so long as he or she membership shall thereupon automatically terminate and transfer and inure to the new Owner succeeding in interest.

Section 3. "Plat of Subdivision" ("Plat") shall mean and refer to the Plat of Subdivision for HAWTHORN GROVE SUBDIVISION recorded April 9, 2001 and any other recorded plat of subdivision relating to the Property.

Section 4. "Common Areas" shall mean those areas of the Property referred to as Outlots A through H on the Plat of Subdivision, subject to the provision of Article VI, Section 2 hereof.

Section 5. "Lot" shall mean and refer to the subdivided parcels of land which are part of the Property and which are shown on the Plat of Subdivision, intended for development of single family residences.

Section 6. "Developer" shall mean HAWTHORN GROVE ASSOCIATES, LLC, an Illinois Limited Liability Company.

Section 7. "Village" shall mean the Village of Hawthorn Woods, an Illinois municipal corporation. Any covenants or provisions contained herein are intended to inure to the benefit of the Village and governmental body or agency hereafter designated or appointed by the Village to provide maintenance, repair, drainage or landscaping services for or upon the Property.

ARTICLE II

PROPERTY RIGHTS

Section 1. **Association Maintenance Easements.** The Declarant does hereby grant to the Association an access easement for maintenance and repair over the Common Areas.

Section 2. **Developer's Easement.** Declarant does hereby grant to the Developer, its agents, employees, contractors, successors and assigns (1) the right and easement to maintain and repair the Common Areas, until such time as the Developer no longer owns any Lots; (2) the right to enter upon the Common Areas from time to time to the extent reasonably necessary to repair or maintain any facilities in the Common Areas; (3) the right to construct a fence on Outlots (4) the right to construct a Sales Office and model home area on designated areas of the Property and (5) an easement, for the purpose of erecting, maintaining, repairing and replacing billboards, banners

and exterior lighting, and other advertising and promotional displays over and across the Common Areas and the exterior of any structure or any Lot being uses as a model for so long as the Developer, its agents, employees, contractors, successors and assigns is engaged in the constructions, sale or leasing of Lots on any portions of the Property.

Section 3. Outlot Easement Provision. An easement is hereby reserved and granted over and under the platted areas of Outlots A through H to the Village of Hawthorn Woods, together with their respective successors and assigns, to renew, operate and maintain storm water detention ponds, overland flow paths, storm sewers, streams and channels, surface and subsurface drainage and its Wetlands in the event the Association fails to do so.

Section 4. Governmental Easements. Declarant hereby grants to the Village a perpetual easement to enter upon the Property including the Common Areas and Lots for the purposes of (1) maintaining, inspecting, repairing, reconstructing and replacing any retention and detention facilities and any other Village utilities, and pipes, cables and appurtenant structures of any cable TV or other utility licensed or designated by the Village to provide utility or cable TV services, and (2) the maintenance of the Village streets and (3) providing governmental service, including, but not limited to, fire protection and police protection, and (4) for the enforcement of all Village ordinances, state statutes and other laws, including, but not limited to, reading meters and ticketing vehicles parked in violation ordinance, state statute or other law.

Section 5. Easements to Run with the Land. All easements and rights described and granted in the Declaration are easements appurtenant to and run with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on Declarant, its successors and assigns, and any Owner, purchaser, mortgagee and other person having an interest in the Property, or any part or portion thereof. Reference in any deed of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration shall be sufficient to create and reserve such easements and rights to the respective grantee, mortgagee or trust of the Declarant and the Owner as fully and completely as though such easements and rights were set forth and recited in their entirety in such document.

ARTICLE III

MAINTENANCE OF PROPERTY

Section 1. Common Areas and Easements. Developer, and thereafter upon its establishment the Association, shall be charged with the responsibility for the ownership, maintenance, landscaping, repair, restoration and upkeep of all of the Common Areas of Outlots A through H and may employ, retain, or contract with appropriate entities or individuals as necessary to perform the obligations stated herein. All Common Areas which include wetlands, flood plains and floodways must be maintained in accordance with all applicable Village and Lake County Codes and Ordinances. All such wetlands, flood plains and floodways shall be maintained in their natural state to the extent practical. The Common Areas include Village limited restorative easements rights for anything

which may be reasonably necessary including signage. Upon the failure of the Developer or the Association to perform any of its maintenance duties or other obligations relating to the Common areas within thirty (30) days after mailing written notice to the Association at its last address known to the Village, the Village shall have the right, but not the obligation, to enter upon the Property and the Common Areas to abate, correct, or eliminate any nuisance or any violation of village ordinance, state statute or other law at the expense of the Association; provided, however, that no notice shall be required in the event that the Village President or Board of Trustees of the Village determines in good faith that an emergency exists. Upon such determination, the Village may proceed to abate or eliminate such nuisance or violation without notice to the Association.

This Declaration shall constitute a contract between the Association and all of the Owners from time to time of the Lots for the performance of such work as the Village may determine to be reasonably required to abate such nuisance or correct or eliminate such violation. The Association and the Owners from time to time of Lots are hereby given notice that the Village has the right to perform and may perform such work without further notice.

If the Village performs any such work, it shall be entitled to completed reimbursement by the Association. If payment is not made within thirty (30) days after demand, then a proportionate share of the total expense (determined in the same manner as the annual assessment is determined under this Declaration and the Bylaws) shall become a lien on each Lot. Each such lien shall be subordinate to the lien of the first mortgage on a Lot, but shall be superior to the Association's assessment lien with respect to the Lot for assessments which become due after the date on which the Village's lien attached to the Lot.

Section 2. **Lots.** The Owner of each Lot shall at all times and at his or her own expense keep his or her respective Lot, and the buildings, improvements, and appurtenances thereon in a safe, clean and, wholesome condition and comply in all respects with all governmental, health, fire, and police requirements and regulations, including all building lines and, if applicable, all wetland building lines and wetland buffer zones, setbacks and conservancy easements as depicted on the Final Plat of Subdivision. Owners shall in no manner be permitted to obstruct or divert the natural surface water drainage across and over their Lots. Owners shall not use or permit the use of any of the detention or retention areas, if any, for any activity other than drainage purposes. In the event an Owner fails to comply with any or all of such specifications or requirements, the Association shall have the obligation, right, privilege and license to enter upon such Lot and shall have the duty to make any and all corrections or improvements that may be necessary to meet such standards, and to charge such Owner the expense incurred in so doing.

ARTICLE IV **LOT OWNERS' ASSOCIATION**

Section 1. **Membership.** Every Owner shall automatically be a member of the Association without the right of withdrawal, and shall remain so as long as he or she remains and Owner.

Declarant shall be a member of the Association to the extent of any Lots it owns. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Voting Rights. The Association shall have one class of voting membership. This class shall consist of all Owners including the Developer or the Developer's lender. Each member shall be entitled to one (1) vote for each Lot owned and voting shall not be committed. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If the Owners of a Lot cannot agree how their vote shall be cast, their vote shall not be counted.

Section 3. Bylaws. The Association shall be governed by Bylaws which shall be in the form of Exhibit B attached hereto and made part hereof.

Section 4. Rules and Regulations. The Association shall adopt such Rules and Regulations as it may deem advisable from time to time for the maintenance, conservation, repair and beautification of the Property and for health, comfort, safety and general welfare of the Owners. The initial Rules and Regulations for the subdivision are attached hereto as Exhibit C. The Rules and Regulations may be amended by a majority vote of the Lot Owners.

Section 5. Payment of Association Charges. Each Owner of any Lot by acceptance of a deed therefore, whether from Declarant or any Owner, and whether or not expressed in any such deed or other conveyance for each Lot owned by each Owner shall pay to the Association (a) annual assessments or charges due and payable on a date the board of directors of the Association shall elect; and (b) special assessments to be fixed, established and collected from time to time by the board of directors of the Association. The annual and special assessments, together with statutory interest thereon and cost of collection thereof, including, but not limited to, reasonable attorneys' fees, shall be a continuing lien upon such Lot against which each such assessment is made. Such assessments shall be a continuing personal obligation of the person who is the Owner of such Lot at the time the assessment was incurred.

A contribution to the Association for the start-up costs and the operating reserves of the Association, in an amount equal to three (3) times the first monthly assessment for the Lot, shall be collected from the purchaser at the initial sale of each Lot by the Developer, the purchaser shall pay its prorata share of the monthly assessment beginning on the closing date and thereafter.

ARTICLE V

INSURANCE

Section 1. Liability Insurance. The Association shall acquire as a common expense, a policy or policies of comprehensive general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Areas, including the

design, operation or maintenance of the detention basins and retention ponds on Outlots A through H (subject to provisions of Article VI, Section 2), in the minimum amount of \$500,000 for each occurrence and \$500,000 in the aggregate and naming the Village, its officials, employees and agents as additional insured, insuring the Association, the Owners, and the Declarant, and their respective employees, agents and all persons acting as agents. The developer shall be included as an additional insured. The insurance shall cover claims of one or more parties against other insured parties. The insurance shall contain a waiver of any rights to subrogation by the insuring company against any of the above-named insured persons or entities.

ARTICLE VI

RIGHTS AND OBLIGATIONS OF DEVELOPER

Section 1. **Initial Administration of the Development.** Until the first meeting of the members of the Association, which meeting shall be held in September 2004, or within sixty (60) days after the conveyance of 80% of the Lots whichever first occurs, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Association by this Declaration, including the insurance provisions contained in Article V, shall be held and preformed by Developer. In exercising such rights, and the other rights reserved by Developer pursuant to this Declaration, Developer shall not be under any disability which would otherwise be imposed by law by reason or Developer's interest in the subject matter of the transaction or of any transaction.

Section 2. **Non-Recourse to Developer.** It is expressly understood and agreed, anything herein to the contrary notwithstanding, that each of the representations, covenants, undertakings, and agreements herein made on the part of Developer are made and intended not as personal representations, covenants, undertakings and agreements by Developer, but are made and intended solely for the purpose of binding the Property and Common Areas to the terms, conditions and provision of the Declaration. No personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against Developer (or any officers, directors, partners, agents or employees of Developer) on account of this instrument or on account of any representation, covenant, undertaking or agreement of Developer in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released. The remedy of any Owner for the failure of Developer to perform any of its obligations, covenants or agreement hereunder is expressly limited to and shall be enforceable only against the Property and Common Areas.

ARTICLE VII

REAL ESTATE TAXES

Section 1. **Common Areas.** All real estate taxes, if any, levied, assessed or otherwise imposed on the Common Areas, including without limitation all special assessments and special service district taxes, shall be an obligation of the Association and shall be paid by the Association as otherwise provided herein.

ARTICLE VIII
GENERAL PROVISION

Section 1. **Severability.** Invalidation of any one of these covenants, conditions, restrictions or easements by judgment or court order shall in no way affect any other provisions, all of which shall remain in full force and effect.

Section 2. **Amendments.** At any time and from time to time while these covenants, conditions, easements and restriction are in effect, they may be amended or revoked by the recording in the Office of the Recorder of Lake County, Illinois, of an instrument declaring such amendment or revocation, which instrument shall be signed by the undersigned or its successors or assigns or by the then Owners of not less than two-thirds (2/3) of the Lots in the HAWTHORN GROVE SUBDIVISION, which instrument shall set forth such amendment or revocation and shall be effective from and after the date of its recording; provided, however, that if the undersigned or its successors and assigns shall hold legal title to any Lot or Lots in the Subdivision, then an amendment or revocation signed by not less than two-thirds (2/3) of the Owners of such Lots must also be signed by the undersigned, its successors or assigns and if not so signed, such amendment or revocation shall not be valid. A Certificate signed and acknowledged by the Board of Directors of the Association shall be prima facie evidence that such instrument of amendment or revocation has been signed by the Owners of the required number of Lots.

Notwithstanding the foregoing, no amendment relating to obligations and duties of the Association with respect to the Common Areas or affecting any of the rights of the Village shall be effective without the prior written consent of the Village, by ordinance duly passed and approved by the corporate authorities of the Village.

Section3. **Rights and Obligations.** The provisions of this Declaration and the rights and obligations established hereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or the acceptance of a deed conveying a Lot or other document transferring any interest therein, or any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration, the Bylaws, and any Rules and Regulations enacted by the Developer or the Board of Directors of the Association whether or not mentioned thereof is made in the deed.

Section 4. **Title in Trust.** In the event title to any Lot shall be conveyed to a title-holding trust under which all powers of management, operation and control of the Lot remain or become vested in the trust beneficiary or beneficiaries, then the trust estate and the beneficiaries thereunder shall

be personally liable for the payment of any obligation, lien or indebtedness chargeable pursuant to this Declaration against such Lot. No claim shall be made against the trustee of any title holding trust personally for payment of any claim, lien or obligation hereby created.

Section 5. **Outlot Deed Restriction.** All designated wetlands, buffer areas, and natural areas located in Outlots A through H in Hawthorn Grove Subdivision, as identified heron, shall be maintained, preserved, and protected by the Hawthorn Grove Homeowners Association.

Except for signage on Outlots A and B to identify the development, berms to be constructed and replanted by the developer on Outlots A, B, and G and detention ponds on Outlots B, D and H, no above grade structures or any obstructions to overland storm water flow routes shall be constructed on any of the Outlots without the prior written consent of the Village of Hawthorn Woods and the U.S. Army Corps of Engineers, Chicago District.

Neither the developer nor the Association may sell or convey any of the Outlots to any third party without the prior written consent of the Village of Hawthorn Woods and the U.S. Army Corps of Engineers, Chicago District.

This Document Was Prepared By And After Recording Mailed To:
Samuel M. Lanoff and John H. Jackson, Attorneys At Law
c/o Morgan, Lanoff, Denniston & Jackson, Ltd.
2 North LaSalle Street, Suite 1808
Chicago, Illinois 60602
(312)346-3055

(SIGNED BY PURCHASER AT INITIAL SALE OF EACH LOT)

HAWTHORN GROVE ASSOCIATES, an Illinois Limited Liability Company

By: _____

Its: President

STATE OF ILLINOIS)

) SS

COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that the above named President of HAWTHORN GROVE ASSOCIATES, LLC, an Illinois Limited Liability Company, Declarant, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledge that he signed and delivered the said instrument as his own free and voluntary act and as the act of said company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this _____ day of _____.

Notary Public

My Commission Expires: _____ (SEAL)

CONSENT OF MORTGAGEE

The undersigned, as Mortgagee under those certain Mortgages date _____ and recorded on _____ with the Recorder of Lake County, Illinois as Documents No. _____ and _____ hereby consents to this Declaration.

By: _____

Its: _____

ATTEST: _____

SURVEYORS CERTIFICATE

THAT PART OF THE SOUTHEAST QUARTER OF SECTIONS 11, TOWNSHIP 43 NORTH, RANGE 10. EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EAST OF A PARCEL OF LAND CONVEYED TO THE STATE OF ILLINOIS, DEPARTMENT OF TRANSPORTATION AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 11; THENCE ON AN ASSUMED BEARING OF NORTH 89 DEGREES 54 MINUTES 23 SECONDS EAST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER, 790.85 FEET TO THE POINT OF BEGINNING; THENCE NORTH 09 DEGREES 36 MINUTES 44 SECONDS EAST 77.34 FEET TO THE EASTERLY CORNER OF LOT 27 IN THORNBERRY CREEK, UNIT 2 AFORESAID; THENCE NORTH 01 DEGREES 37 MINUTES 12 SECONDS WEST ALONG THE EAST LINE OF SAID SUBDIVISION 551.05 FEET TO A POINT ON A 11,609.16 FOOT RADIUS CURVE. THE CENTER OF CIRCLE OF SAID CURVE BEARS NORTH 88 DEGREES 25 MINUTES 05 SECONDS EAST FROM SAID POINT; THENCE CONTINUING NORTHERLY ALONG THE EAST LINE OF SAID UNITS 1 AND 2 IN THORNBERRY CREEK SUBDIVISION AND SAID CURVE 1822.80 FEET THROUGH A CENTRAL ANGLE OF 08 DEGREES 59 MINUTES 46 SECONDS; THENCE NORTH 07 DEGREES 26 MINUTES 05 SECONDS EAST, NOT TANGENT TO SAID CURVE, ALONG THE EAST LINE OF SAID UNIT NO. 1 A DISTANCE OF 195.05 FEET, TO THE NORTHEAST CORNER OF LOT 7 IN SAID UNIT NO. 1; THENCE SOUTH 89 DEGREES 58 MINUTES 59 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11 A DISTANCE OF 303.32 FEET TO A POINT DISTANT EASTERLY 150.00 FEET MEASURED AT RIGHT ANGLES TO THE TRANSIT LINE OF F. A. ROUTE 61 (NOW KNOWN AS F. A. P. ROUTE 342) PER PLAT OF SURVEY RECORDED SEPTEMBER 23, 1971 AS DOCUMENT 1524991; THENCE SOUTH 07 DEGREES 25 MINUTES 29 SECONDS WEST, PARALLEL WITH SAID TRANSIT LINE 236.14 FEET; THENCE SOUTHERLY 887.89 FEET ALONG A TANGENTIAL CURVE, CONCENTRIC WITH AND DISTANT EASTERLY 150.0 FEET FROM SAID TRANSIT LINE. CONCAVE TO THE EAST HAVING A RADIUS OF 11,309.16 FEET AND A CENTRAL ANGLE OF 04 DEGREES 29 MINUTES 54 SECONDS; THENCE SOUTH 00 DEGREES 01 MINUTES 20 SECONDS EAST, NOT TANGENT TO SAID CURVE, 246.58 FEET TO A POINT DISTANT EASTERLY 160.00 FEET MEASURED AT RIGHT ANGLES TO SAID TRANSIT LINE, BEING ALSO A POINT ON AN 11,299.16 FOOT RADIUS CURVE. THE CENTER OF CIRCLE OF SAID CURVE BEARS SOUTH 88 DEGREES 19 MINUTES 21 SECONDS EAST FROM SAID POINT; THENCE SOUTHERLY ALONG SAID CURVE, CONCENTRIC WITH AND DISTANT EASTERLY 160.00 FEET FROM SAID TRANSIT LINE. A DISTANCE OF 640.12 FEET THROUGH A CENTRAL ANGLE OF 03 DEGREES 14 MINUTES 45 SECONDS; THENCE SOUTH 00 DEGREES 03 MINUTES 21 SECONDS WEST. NOT TANGENT TO SAID CURVE. 352.81 FEET TO A POINT DISTANT EASTERLY 150.00 FEET MEASURED AT RIGHT ANGLES TO SAID TRANSIT LINE; THENCE SOUTH 01 DEGREES 34 MINUTES 06 SECONDS EAST. PARALLEL WITH SAID TRANSIT LINE. 281.96 FEET TO THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11. BEING ALSO THE NORTHEAST CORNER OF LOT 22 IN HASTHORN KNOLLS SUBDIVISION PER PLAT RECORDED OCTOBER 3, 1977 AS DOCUMENT 1869966; THENCE SOUTH 89 DEGREES 54 MINUTES 23 SECONDS WEST. ALONG SAID SOUTH LINE 314.4 FEET TO THE POINT OF BEGINNING, AND THAT PART OF THE NORTHEAST QUARTER OF SAID SECTION 11 DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 11; THENCE WEST 2 RODS, THENCE NORTH PARALLEL TO THE SECTION LINE ABOUT 40 RODS TO THE CENTER OF THE MCHENRY ROAD (NOW KNOWN AS GILMER ROAD); THENCE EASTERLY IN THE CENTER OF SAID ROAD TO THE SECTION LINE AND THENCE SOUTH ON THE SECTION LINE TO THE POINT OF BEGINNING. IN LAKE COUNTY, ILLINOIS.

PARCEL 3:

THE WEST 1 ROD OF ALL THAT PART OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTIONS 12. TOWNSHIP 43 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE CENTER OF GILMER ROAD (EXCEPT THAT PART TAKEN FOR VOLO-GILMER ROAD) IN LAKE COUNTY, ILLINOIS.

EXHIBIT B
BYLAWS

HAWTHORN GROVE HOMEOWNERS ASSOCIATION

ARTICLE I
PURPOSES

As stated in its Article of Incorporation, the purpose of the Corporation shall be to maintain, operate and manage a private residential subdivision with Lots, improvements and Common Areas known as "Hawthorn Grove Subdivision" located in the Village of Hawthorn Woods, Lake County, Illinois.

ARTICLE II
OFFICES

The Corporation shall maintain in the State of Illinois a registered office and a registered agent at such office and may have other offices within or without the state.

ARTICLE III
MEMBERS

Section 1. **Membership.** Every Owner of a Lot shall be a member of the Association without the right of withdrawal. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership.

Section 2. **Voting Rights.** The Association shall have one class of voting membership. This class shall consist of all Owners including the Developer. Each member shall be entitled to one (1) vote for each Lot owned. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If the Owners of a Lot cannot agree how their vote shall be cast, their vote shall not be counted.

Sections 3. **Termination of Membership.** Upon the sale or transfer of a Lot or the termination of a beneficial interest in any trust holding title to a Lot, membership in the Association is terminated.

Section 4. **Transfer of Membership.** Membership in this Association is not transferrable or assignable except in conjunction with the sale and purchase of Lot.

ARTICLE IV
MEETING OF MEMBERS

Section 1. Annual Meeting. An annual meeting of the members shall be held on or before September 30th of each year, beginning with the year 2004 or sooner pursuant to the provisions of Article VI, Section 1 of the Declaration, for the purposes of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meeting. Special meetings of the members may be called either by the president, the board of directors, or not less than one-tenth of the members having voting rights.

Section 3. Place of Meeting. The board of directors may designate any place within five (5) miles of the Subdivision as the place of meeting for any annual meeting or for any special meeting call by the board of directors. If not designation is made or if a special meeting be otherwise called, the place of the meeting shall be the registered office of the corporation in the State of Illinois.

Section 4. Notice of Meetings. Written notice stating the place, date, and hour of any meeting of members shall be delivered to each member entitled to vote as such meeting not less than five (5) nor more than forty (40) days before the date of such meeting. In cast of a special meeting or when required by statute or by these bylaws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage thereon prepaid.

Section 5. Informal Action By Members. Any action required to be taken at a meeting of the members of the Corporation, or any other action which may be taken at a meeting of members, may be taken without a meeting if consent in writing setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 6. Quorum. The members holding one-tenth of the votes which may be cast any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting, a majority of the members present may adjourn the meeting to any time without further notice. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting; withdrawal of member from any meeting shall not cause failure of a duly constituted quorum at that meeting.

Section 7. Notice. Notice of special meeting of the board of directors shall be given at least two days previously thereto by written notice to each director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be given two (2) days after it is deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be given the day after the telegram is delivered to the telegraph company. Notice of any special meeting of the board of directors may be waived in writing, if signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the purpose of objecting to the

transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the board, need be specified in the notice of waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section 6. **Quorum.** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board, provided that, if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

Section 7. **Manner of Acting.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by statute, these Bylaws, or the articles of incorporation.

Section 8. **Vacancies.** Any vacancy occurring in the board of directors or any directorship to be filled, by reason of an increase in the number of directors, shall be filled by the board of directors, unless the articles of incorporation, a statute, or these Bylaws provide that a vacancy or a directorship so created shall be filled in some other manner, in which case such provision shall control. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 9. **Compensation.** Directors shall not receive any stated salaries for their services, provided that, nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving reasonable compensation therefore.

ARTICLE VI

OFFICERS

Section 1. **Officers.** The officers of the Corporation shall be president, one or more vice presidents (the number thereof to be determined by the board of directors), a treasurer, a secretary, and such assistant treasurers, assistant secretaries or other officers as may be elected by the board of directors. Officers shall have the authority and perform the duties prescribed, from time to time, by the board of directors. Any two or more offices may be held by the same person, except for the offices of President and Secretary.

Section 2. **Election and Term of Office.** The officers of the Corporation shall be elected annually by the board of directors at the regular annual meeting of the board of directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not in itself create contract rights.

Section 3. **Removal.** Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interest of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. **President.** The president shall be the principal executive officer of the Corporation. Subject to the direction and control of the board of directors, he or she shall be in charge of the business and affairs of the Corporation; shall see that the resolutions and directives of the board of directors are carried into effect, except in those instances in which that responsibility is assigned to some other person by the board of directors; and, in general, shall discharge all duties incident to the office of the president and such other duties as may be prescribed by the board of directors. The President shall preside at all meetings of the members and of the board of directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the board of directors or these Bylaws, the President may execute for the Corporation any contracts, deeds, mortgages, bonds, or other instruments which the board of directors has authorized to be executed, and the President may accomplish such execution either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument. The President may vote all securities which the corporation is entitled to vote, except as and to the extent such authority shall be vested in a different officer or agent of the Corporation by the board of directors.

Section 5. **Vice President.** The vice president (or in the event there be more than one vice presidents) shall assist the president in the discharge of his or her duties as the president may direct and shall perform such other duties as from time to time may be assigned to him or her by the president or by the board of directors. In the absence of the president or in the event of the President's inability or refusal to act, the vice president (or in the event there be more than one vice presidents, in the order designated by the board of directors, or by the president if the board of directors has not made such a designation, or in the absence of any designation, then in the order of their seniority or tenure) shall perform the duties of the president and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation, or a different mode of execution is expressly prescribed by the board of directors or these Bylaws, the vice president (or any of them if there are more than one) may execute for the Corporation any contracts, deeds, mortgages, bonds or other instruments which the board of directors has authorized to be executed, and the vice president may accomplish such execution either under or without the seal of the Corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the of the instrument.

Section 7. Secretary. The secretary shall (a) record the minutes of the meetings of the members and of the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post office address of each member, which shall be furnished to the secretary by such member; and (e) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or the board of directors.

Section 8. Assistant Treasurer and Assistant Secretaries. The assistant treasurers and assistant secretaries shall perform such duties as shall be assigned to them by the treasurer or the secretary, respectively, or by the president or the board of directors. If required by the board of directors, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine. Such bond shall be paid for by the Corporation.

ARTICLE VII

COMMITTEES

Section 1. Committees with Directors. The board of directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, including an architectural and landscape committee, each of which shall consist of at least one (1) directors and shall review matters relating to their purpose and make recommendations to the board of directors.

Section 2. Other Committees. Other committees may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the Corporation, and selected by the board of directors of the Corporation. Any member thereof may be removed by the board of directors whenever in their judgment the best interest of the Corporation shall be served by such removal. These committees shall make recommendations for actions to the board of directors.

Section 3. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated, resign, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. Chairman. One member of each committee shall be appointed chairman.

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

Section 6. **Quorum.** Unless otherwise provided in the resolution of the board of directors designating a committee, as 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. **Rules.** Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the board of directors.

ARTICLE VIII

CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 1. **Contracts.** The board of directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers, so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

Section 2. **Checks, Drafts, and Other Instruments.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the board of directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the Corporation.

Section 3. **Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such federally insured banks, trust companies or other depositories as the board of directors may select.

Section 4. **Gifts.** The board of directors may accept on behalf of Corporation any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Corporation.

ARTICLE IX

BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors, and committees having any of the authority of the board of directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his or her agent, or attorney for any proper purpose at any reasonable time.

ARTICLE X
FISCAL YEAR

The fiscal year of the Corporation shall end on December 31 of each year.

ARTICLE XI
ASSESSMENTS

Section 1. Assessments. Annual assessments must be fixed at a uniform rate for the Lots and annual assessments shall be collected on an annual basis. Special assessments shall be fixed established and collected from time to time as determined by the board of directors.

Section 2. Date of Commencement of Annual Assessments. Due Dates. The annual assessments provided for herein shall commence upon the direction of the board of directors. The due dates or dates of any special assessments shall be fixed in the resolution authorizing such assessment.

Section 3. Duties of the Board of Directors with Respect to Assessments.

- a) The board of directors of the Association shall fix the amount of the annual assessment against each Lot for each annual assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the association and shall be open to inspection by any Owner. The board of directors of the Association shall further fix, establish and collect from time to time the amount of the special assessments against each Lot.
- b) Written notice of the assessments shall thereupon be delivered or mailed to every Owner subject thereto showing the amount or amounts and due date or dates if the assessments are to be paid in installments.
- c) The board of directors shall , upon written demand, furnish to any Owner liable for said assessments, a certificate in writing signed by an officer of the Association setting forth whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessments therein stated to have been paid. A reasonable charge may be made by the board for the issuance of such certificates.
- d) If the board fails to fix an amount of the annual assessment as provided in (a) above, each Owner shall be responsible for the payment of an amount equal to the annual assessment for the previous year.

Section 4. Effect of Non-Payment of Assessment. The Personal Obligation of the Owner. The Lien. Remedies of the Association. If any assessment or part thereof is not paid within thirty (30) days after the due date, the total unpaid amount of all installments of such assessment shall immediately become due and payable and shall bear interest for the date of delinquency at the maximum legal rate of interest. The total unpaid amount of all such installments and interest thereon shall constitute a lien on the interest of the Lot or the Owner personally obligated to pay the same, and upon the recording of

notice thereof by the board of directors of the Association shall be a lien upon such Owner's interest in Lot. The Association may, at its election, bring an action at law or in equity against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the Lot and property subject thereto and there shall be added to the amount of such assessment the costs of preparing and filing the complaint (including, without limitations, reasonable attorneys' fees) in such action and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provide and reasonable attorneys' fees to be fixed by the court, together with the cost of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or of his Lot. Notwithstanding the foregoing, the first mortgage encumbrance owned or held by a bank, insurance company, or savings and loan association, or other person or entity engaged in the business of making real estate loans, recorded against the interest of such Owner prior to the date such notice is recorded, which by law would be a lien thereon prior to subsequently recorded encumbrances, shall have priority, except as to the amount of assessments which become due and payable from and after the date on which the said mortgage owner or holder either takes up possession of the Lot, accepts a conveyance of any interest therein (other than as security) or files a suit to foreclose its mortgage.

Section 5. **Subordination of the Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate only to the lien of any mortgage or mortgages or trust deed or trust deeds. The sale or transfer of any lot shall not affect the assessment lien.

Section 6. **Exempt Property.** The following real estate subject to these Bylaws shall be exempt from the assessments created herein:

- a) All of the real estate dedicated to and accepted by a local public authority.
- b) All of the real estate owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Illinois.
- c) All of the real estate owned by Developer.

Section 7. **Reserves.** The annual assessment shall include a collection of adequate funds to establish a reserve for the replacement of improvement to the common areas, wetlands and other areas which the Association is obligated to maintain.

ARTICLE XII

SEAL

The corporate seal shall have inscribed thereon the name of the Corporation and the word "Corporate Seal, Illinois".

ARTICLE XIII
WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the General Not-for-Profit Corporation Act of Illinois or under the provisions of the articles of incorporation or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV
AMMENDMENTS

The power to alter, amend, or repeal the Bylaws or adopt new bylaws shall be vested in the board of directors unless otherwise provided in the articles of incorporation or Bylaws. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. They Bylaws may contain any provision for the regulation and management of the affairs of the Corporation not inconsistent with law or the article of incorporation.

EXHIBIT C
RULES AND REGULATIONS

HAWTHORN GROVE HOMEOWNERS ASSOCIATION

PREFACE

The Rules and Regulations established by HAWTHORN GROVE HOMEOWNERS ASSOCIATION ("Association") are designed neither to restrict nor infringe on the rights of homeowner or resident. Their purpose is to ensure the full enjoyment of the HAWTHORN GROVE SUBDIVISION by all Owners and residents.

METHOD OF ENFORCING RULES AND REGULATIONS

1. Owners should report repeated infractions of Rules and Regulations to the Board of Directors of the Association in writing, signed by the complaining Owners.
2. Upon the first reported infraction of rule or regulation, the offending Lot Owner or resident will receive a letter from the Board of Directors notifying him or her of the violation. Upon the second infraction, the Lot Owner or resident will be requested to appear before the Board of Directors. If a satisfactory settlement is not reached at this meeting, legal proceedings or such other action, as approved by the Board of Directors, may be initiated to enforce the Rules and Regulations.

METHOD FOR CHANGING OR ADDING RULES AND REGULATIONS

Owners wishing to change or add specific rule or regulation should make their requests in writing to the Board of Directors for review and consideration.

RECREATIONAL VEHICLES, BOATS AND TRAILERS

Recreational vehicles, boats, trailers and the like, too large to be parked in the garage, cannot be store within the boundaries of Hawthorn Grove Subdivision for more than two (2) days.

ANTENNAS, ANTENNA TOWERS, SATELITE DISHES

No antenna, antenna tower or satellite dish can be constructed, installed or located within the boundaries of Hawthorn Grove Subdivision for the purpose of receiving or transmitting radio or television signals, without the prior written approval of the Board of Directors. Antennas may be installed within and attic without prior approval. Notwithstanding the foregoing, Unit Owners may install direct TV type dishes, not to exceed eighteen (18) inches in diameter on the rear of their homes in an area which is not visible from the street adjacent to the front entrance of the home.

CONTRACTOR SIGNS

Contractors are not permitted to place their signs on any Owner's Lot or Common Area unless prior written approval is given by the Board of Directors.

"FOR SALE" SIGNS

Only one "For Sale" sign may be displayed for a home at any time and such sign must be located on the Owner's Lot. "For Sale" signs may not be placed in the parkways. "Open House" signs may be displayed during the hours of the open house only.

SWIMMING POOLS

All plans for swimming pools and related landscaping and construction must be submitted to the Board of Directors for written approval prior to installation, and the Owner upon such approval hereby agrees to indemnify, defend and hold the Seller/Developer, Association and its members, officers, agents and directors harmless against any claim brought against them arising from the approval and installation of such pool and landscaping. The Owner must secure the pool when not in use and meet all safety requirements required by applicable governmental authority.

VILLAGE COMPLIANCE, PERMITS

All Rules and Regulations of the Association are in addition to and subject to local ordinances. All fees and permits are the sole responsibility of the Owner. No construction or improvement of any kind shall be initiated until the proper permits have been issued by any applicable governmental authority.

GARAGES, SHEDS, OUTBUILDINGS

No garages, sheds, outbuildings or other freestanding structure shall be constructed within the boundaries of Hawthorn Grove Subdivision without prior written approval of the Board of Directors. Landscaping, as necessary, will be required around free stand structures, and should be submitted to the Board of Directors at the time such construction is requested.

FENCES

Fences cannot be constructed without the prior written approval from the Board of Directors. Chain link, barbed wire, metal and stockade fences are prohibited. Fences are prohibited in the front yards. Fences taller than five (5) feet are prohibited, except on Lots that have at least one side on the outer boundary of the Hawthorn Grove Subdivision property. Lots that face the outer boundary of the property may have fences as high as allowed by ordinance or variance approved by the Village. All fences must meet the requirements of any applicable governmental authority.

OUTLOT RESTRICTIONS

Pursuant to the Hawthorn Grove Declaration of Covenants, Conditions and Restrictions, all ice skating, swimming, diving, boating and all other recreational use of Outlots A through H is specifically prohibited.

EXHIBIT D
THE WETLANDS AROUND YOU

HAWTHORN GROVE SUBDIVISION

Wetlands provide a number of life enhancing functions. By storing storm water, wetlands reduce property damage during floods. By filtering water, they help protect the quality of drinking water. They provide habitat for animals and plants that is both exciting and enjoyable. Protecting these vital resources in your neighborhood only helps you. You can get involved by:

1. **KNOW WHO IS MAINTAINING THE WETLANDS.** The US Army Corp of Engineers (USACE) has jurisdiction over all wetlands and regulate the modification on these areas. The wetlands in your neighborhood are protected through an easement and are managed by your Homeowners' Association.
2. **KNOW THE POSSIBLE IMPACT.** Upland prairie buffer zones protect the wetland from lawn and paved surface runoff. Yard waste, such as grass clipping, placed in the upland buffer can reduce the buffer's ability to act as a filter for these chemicals. Also, reducing the amount of chemicals used in your lawn can aid in the protecting the wetland from excessive algae growth which can result in the death of organisms that reside in the wetland.
3. **KNOW THE RULES AND REGULATIONS.** The wetland areas within the Hawthorn Grove subdivision are protected as natural areas. No dumping of any kind should occur in these areas. This includes fill, dirt, sand, cement, sod, grass clipping, yard wastes and garbage. Prairie species, which generally grow tall, are planted within a buffer zone adjacent to the wetland. The area should not be mowed, unless done by the direction of the Homeowners' Association for ecological purposes. Proper management of the upland buffer will increase the diversity and aesthetic quality of the entire system and compliment your property.
4. **KNOW YOUR WETLAND.** Curiosity about the natural areas will only increase the management and therefore the quality of the areas. Learn more about wetlands, their plants and animals and their value. You can start by looking up the USACE website at www.usace.army.mil, the US Fish and Wildlife Service at www.fws.gov or the EPA website at www.epa.gov.
5. **YOU WILL FIND THE MORE YOU KNOW, THE MORE YOU WILL ENJOY THESE PRECIOUS RESOURCES IN YOUR OWN BACKYARD.**

PERMIT COMPLIANCE OF SPECIAL CONDITIONS 10: LONG TERM MANAGEMETN PLAN

PROJECT: Hawthorn Grove, Hawthorn Grove Associates, LLC
USACE FILE #: 2000000870
LOCATION: South of Gilmer Road, 1/4 mile East of Darlington Drive, in Hawthorn Woods, Lake County, IL (T43N R10E, SE 1/4 of Section 11)

LONG TERM MANAGEMENT PLAN

Long-term management and maintenance of the Hawthorn Grove wetland areas and upland buffer areas will be the responsibility of the Hawthorn Grove Homeowners Association. The purpose of this management is to maintain the quality of the naturalized areas ensure the proper functioning of these areas.

Long-term management shall primarily consist of routine herbiciding of invasive grasses, forbs and shrub saplings. This shall occur every three years, or as deemed necessary by the Hawthorn Grove Homeowners Association. Herbiciding shall include, bus is not limited to Reed Canary Grass (*Phalaris annidinacea*), Sandbar Willow (*Saltis interior*), and Common Buckthome (*Rhamnus cathartica*).

Controlled burning may also be utilized every three years, depending on fuel availability and species composition. Burning shall be used only when there is enough fuel and the long-term manager deems it advantageous. Burning shall be conducted by trained professionals experienced in wetland fire control. Prior to a controlled burn, surrounding property owners as well as local fire and pOlce departments shall be notified. A burn plan designating preferred wind direction and speed, location of fire breaks, and necessary personnel and equipment shall be prepared to be utilized in planning an burn implementation. Generally, burns shall be scheduled from Spring to Fall on a rotation basis.