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DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

GINGER WOODS HOME OWNERS ASSOCIATION

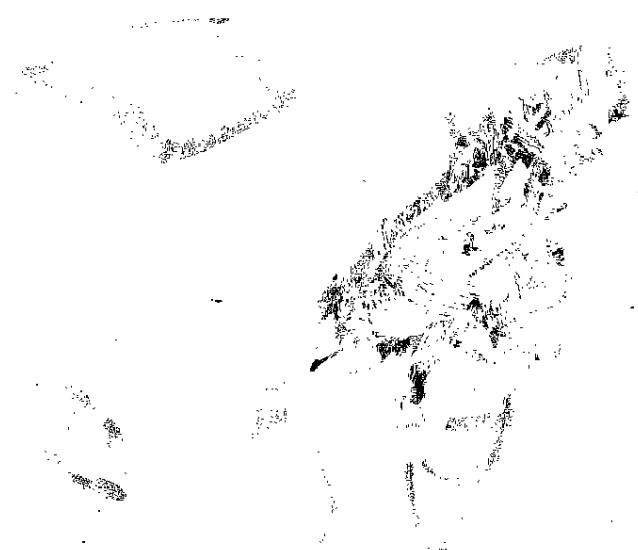


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DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
GINGER WOODS HOME OWNERS ASSOCIATION

This Declaration is made this 15th day of July 1999 by KINGSLAND DEVELOPMENT CORP., (hereinafter referred to as "Covenantor").

WITNESETH:

WHEREAS, the Covenantor is the owner of the real property commonly known as Ginger Woods and legally described in Exhibit A of this Declaration, which exhibit is attached hereto and incorporated herein by reference (hereinafter referred to as "Development Tract"), and

WHEREAS, Ginger Woods will be developed as a residential community consisting of single-family detached dwellings and open spaces; and

WHEREAS, the Covenantor desires to promote the orderly development of the Subject Property and to provide for the maintenance of open spaces and other common areas or facilities by subjecting the property owned by it and described herein to the covenants, restrictions, conditions, reservations, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property; and

WHEREAS, the Covenantor has deemed it desirable, for the efficient preservation of the values and amenities in the Subject Property, to create an agency to which should be delegated and assigned the powers of administering and enforcing the covenants, restrictions, conditions, reservations, easements, charges, and liens as delineated in this Declaration; and

WHEREAS, the Covenantor desires to subject said property to the covenants, restrictions, conditions, reservations, easements, charges, and liens set forth in this Declaration;

NOW, THEREFORE, KINGSLAND DEVELOPMENT CORP., hereby declares that the real property described in Exhibit A is and shall be held, sold, conveyed, transferred, mortgaged, and encumbered subject to the terms, provisions, covenants, restrictions, conditions, reservations, easements, charges, and liens hereinafter set forth, all of which are declared to be for the purpose of enhancing and protecting the value, desirability, attractiveness, and harmonious and proper use of and administration of the single-family residential portion of the Subject Property. These easements, covenants, restrictions, provisions, conditions, reservations, charges, and liens shall run with the property and shall be binding upon all the parties having or acquiring any right, title, or interest in the property described in Exhibit A, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association " shall mean and refer to Ginger Woods Home Owners Association, an Illinois not-for-profit corporation, its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Ginger Woods Home Owners Association.

Section 3. "Covenantor" shall mean and refer to KINGSLAND DEVELOPMENT CORP., its successors or assigns (other than the purchaser of a lot).

Section 4. "Covenants and Restrictions" shall mean and refer to the covenants, restrictions, conditions, reservations, easements, charges, and liens specified in this Declaration.

Section 5. "Subject Property" shall mean the property herein referred to and legally described in Exhibit A which by this Declaration is subjected to the covenants, restrictions, conditions, reservations, easements, charges, and liens herein described.

Section 6. "Dwelling" or "Dwelling Unit " shall mean a single-family residential building or portion thereof as permitted under the R-1(S) zoning classification by the City of Aurora, but specifically excluding hotels, motels, rooming houses, nursing homes, mobile homes or any form of camping vehicles.

Section 7. "Final Plat " shall mean and refer to the Final Plats of Subdivision for Ginger Woods recorded on March 3, 1999, as Documents R99-053678 and R99-053679 in DuPage County, Illinois and recorded on March 12, 1999, as Documents 1999K026786, 1999K026793, and 1999K026794 in Kane County, Illinois.

Section 8. "Home Owners Association" shall mean and refer to the Ginger Woods Home Owners Association, an Illinois not-for-profit corporation, its successors and assigns.

Section 9. "Lot" shall mean and refer to a parcel of land, under common fee ownership, occupied by or intended for occupancy by one dwelling and having frontage on a public street.

Section 10. "Occupant" shall mean a person or persons, other than an owner, in lawful possession of one or more residences.

Section 11. "Owner" shall mean the person or persons or entity whose estates or interests, individually or collectively, aggregate fee simple ownership of a residence, and their successors and assigns. For the purpose of this Declaration, unless otherwise specifically provided herein, the word "Owner" shall include any trust and beneficiary of a trust, shareholder of a corporation or partner of a partnership holding legal title to a lot and the Covenantor as to all unsold lots which are or will be constructed on the Subject Property.

Section 12. "Person" shall mean a natural individual, corporation, partnership, or other entity capable of holding title to or any lesser interest in real property.

Section 13. "Record" or "place of record" shall mean to record a document in the Office of the Recorder of Deeds of DuPage County, Illinois, and in the Office of the Recorder of Deeds of Kane County, Illinois.

Section 14. "Story" shall mean that portion of a building included between the surface of any floor and the surface of the floor next above or, if there is no floor above, the space between the floor and the ceiling next above. A cellar shall not be counted as a story.

Section 15. "Structure" shall mean anything other than a building erected or constructed on a lot, the use of which requires more or less permanent location on or in the ground. Ornamental masonry walls and fences shall be construed to be structures.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Subdivided Property. The real property legally described in Exhibit A, is and shall be held, sold, conveyed, transferred, occupied, mortgaged, and encumbered subject to this Declaration.

Section 2. Burden Upon the Property. The Covenantor declares that this Declaration and the covenants, restrictions, conditions, reservations, easements, charges, and liens established herein shall be covenants to run with the land. Said covenants and restrictions shall inure to the benefit of and shall be binding upon each and every owner and his or her respective mortgagees, heirs, administrators, executors, legal representatives, successors and assigns, purchasers, and lessees. By the recording or acceptance of the conveyance of property or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration.

Section 3. Non-Severability of Rights. The rights, liabilities, and obligations set forth herein shall attach to and run with the ownership of a lot as more specifically set forth below, and may not be severed or alienated from such ownership.

ARTICLE III

GENERAL PURPOSE

The purpose of this Declaration is to provide the high standards of maintenance in the Subject Property so as to ensure a residential community of high quality and character for the benefit and convenience of all owners of property and all residents of Ginger Woods.

ARTICLE IV

HOME OWNERS ASSOCIATION

Section 1. Creation. Within forty-five days of the recording of this Declaration, the Covenantor shall cause to be incorporated under the laws of the State of Illinois a not-for-profit corporation to be named the Ginger Woods Home Owners Association.

Section 2. Membership. Every person or entity who is a record owner of a lot in Ginger Woods or who is the beneficiary of a land trust holding title to a lot in Ginger Woods shall be a member of the Home Owners Association irrespective of the inclusion, exclusion, incorporation by reference, or any specific expression or lack thereof to the effect in the deed or other documents of conveyance. Membership is appurtenant to and shall not be separated from ownership of a lot. Thus, membership shall automatically terminate upon the sale, transfer, or other disposition by a member of its ownership of a lot in Ginger Woods at which time the new owner shall automatically become a member of the Ginger Woods Home Owners Association.

Such membership may not be sold or transferred other than in conjunction with the sale or transfer of the title interest in the lot to which it is appurtenant.

If more than one person or entity is the record owner of or a beneficiary of a land trust holding title to a lot in Ginger Woods, all such persons or entities shall be considered collectively as one member.

Each member of the Home Owners Association shall be bound by and shall observe the terms and provisions of this Declaration, the Articles of Incorporation, the By-Laws of the Home Owners Association, and the rules and regulations promulgated from time to time by the Home Owners Association or its Board of Directors.

Any person or entity who holds an interest in a lot in Ginger Woods merely as a security for the performance of an obligation or any person in possession of a lot under a contract to purchase such lot shall not be a member of the Home Owners Association.

~~No member shall have any right or power to disclaim, terminate or withdraw from its membership in the Home Owners Association or from any of its obligations as such member by abandonment of its residence or for any other reason.~~

Ownership of a lot in the Subject Property shall be the sole qualification for membership and there shall be one membership for each lot.

Section 3. Voting Rights. The Home Owners Association shall have two classes of voting members:

a. Class A: Class A members shall be ~~all record owners of lots in~~ Ginger Woods and all beneficiaries of land trusts holding title to lots in Ginger Woods with the exception of the Covenantor.

b. Class B: Class B members shall be the Covenantor, Sterling Homes, Ltd., and Traditions, Inc.

The Class A members shall be entitled to one vote for each lot owned. If more than one person or entity is the record owner or beneficiary of the title-holding land trust of a lot in Ginger Woods, then the vote for that lot or unit shall be exercised as those persons or entities amongst themselves determine. No more than one vote shall be cast with respect to any such lot.

The Class B members shall be entitled to five votes for each lot owned.

The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first: a) upon the conveyance of the last lot in Ginger Woods held by any Class B member to any entity other than to Covenantor, Sterling Homes, Ltd., or Traditions, Inc., or b) whenever the Class B members elect to do so.

The Home Owners Association shall have the right to suspend the voting rights of any member, regardless of voting class, for any period during which an assessment levied by the Home Owners Association against the member's lot remains unpaid.

Section 4. Powers, Duties and Responsibility. The Home Owners Association is created to carry out the purpose of this Declaration of Covenants and Restrictions. In order to carry out that purpose, the Home Owners Association shall be the governing body for all of the owners and beneficiaries of title-holding land trusts of lots in Ginger Woods. It shall exercise the following powers and shall assume the following duties and responsibilities:

a. to provide for highest standards of maintenance of the Subject Property and to make and promote the desired quality and character of Ginger Woods;

b. to receive property of every kind, whether real or personal, and to administer and apply such property and the income therefrom exclusively for the purposes of the Home Owners Association;

c. to receive any gift, bequest, or devise of any property for any purpose specified by the donor or testator or for any of the purposes of the Home Owners Association;

d. to maintain, repair, and replace the following in Ginger Woods:

i. all entrance monuments and accompanying landscaping, vegetation, and grass;

ii. the stormwater retention and detention areas designated on the Final Plat as Lots 59, 61, 62, and 152, the accompanying landscaping, vegetation, and grass located thereon, and the sump pumps and generator which service Lot 62, and;

iii. the stormwater retention and detention areas designated on the Final Plat as Lots 59, 61, 62, and 152, the accompanying landscaping, vegetation, and grass located thereon, and the sump pumps and generator which service Lot 62, and;

iv. the landscaped islands located in the right of way of Ginger Woods Parkway, Charter Oak Court, Katie Court and Clarissa Lane and the accompanying landscaping, vegetation, and grass located thereon;

v. Any property owned or leased by the Home Owners Association;

e. to provide for a general fund to enable the Home Owners Association to exercise its powers, duties, and responsibilities as delineated in this Declaration, its Articles of Incorporation, and its By-Laws by levying an annual assessment or special assessment;

f. to enforce any lien for non-payment of any assessment;

g. to take any action necessary to effectuate the purposes of this Declaration.

Section 5. Board of Directors. The affairs in the Home Owners Association shall be managed by a Board of Directors.

The initial control and management of the Home Owners Association shall be entrusted to an initial Board of Directors which shall consist of three directors. Said Board of Directors shall be selected from time to time by the Covenantor and the members of the Board need not be lot owners in Ginger Woods. Covenantor reserves the right to replace members of the initial Board of Directors at its sole discretion. The initial Board of Directors shall hold office until the first Monday in October of the year following the transfer of control and management of the Home Owners Association pursuant to this Declaration, which shall be no later than upon the completion and occupancy of the residences on one hundred percent of the total number of lots in Ginger Woods, or as required by Illinois Law. Said meeting, hereinafter being known as the Annual Membership Meeting, may be held at such other reasonable time or date not more than thirty days before or after said date as may be designated by written notice of the Board of Directors delivered to the membership not less than ten days prior to the date fixed for said new meeting. The initial Board of Directors reserves the right to transfer control and management of the Home Owners Association to the second Board of Directors at any time prior to the time set by Illinois law.

When the initial Board of Directors of three directors shall cease to hold office as specified herein, there shall be a meeting of the members of the Home Owners Association for the purpose of electing a second Board of Directors. Said Board of Directors shall consist of five directors who shall be Members and shall hold office for two-year terms. However, in said first election of the Board of Directors, three of the five directors receiving the highest number of votes shall hold office for two years and the remaining directors shall hold office for one year only.

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The By-Laws of the Home Owners Association shall set forth the general powers of the Board, the number, tenure and qualifications of directors, their term of office, manner of election and removal, and method of operation of the Board.

There shall be an annual election to fill the offices of the directors whose terms are expiring. Said election shall occur at the Annual Membership Meeting. Cumulative voting shall not apply in the election of the directors. Each lot shall have the number of votes as specified in Article IV, Section 3 herein.

The Board of Directors shall have the power to fill any vacancy that may occur in their own number or in any office of the Home Owners Association. The directors or officers so appointed shall serve for the unexpired term of the director replaced.

If any director fails to attend a majority of the number of meetings of the Board in any fiscal year, the Board may in its sole discretion declare his office vacant.

The regular meeting of the Board of Directors shall be held immediately after and at the same place as each Annual Membership Meeting. Special meetings may be called on the order of the president or on the motion in writing of a majority of the directors. At least two days notice of such special meeting, specifying its purpose, shall be given by mail or personal service to each director.

A majority of the Board of Directors shall constitute a quorum for the transaction of business and the action of a majority of such quorum shall be the action of the Board of Directors. If a quorum is not present, a less number may adjourn the meeting to another date.

The officers of the Home Owners Association shall be president, vice president, and secretary/treasurer. They shall all be directors and elected by the directors at the regular meeting of the Board of Directors subsequent to the annual election of directors and shall hold their respective office for one year and/or until their successors are elected and qualified. The officers shall be subject to the control of the Board of Directors and may be removed by the majority of the directors at any regular meeting or any special

meeting called for that purpose. The Board of Directors may elect such other officers as it deems necessary. The officers shall exercise their functions according to the By-Laws of the Home Owners Association.

The members of the Board of Directors (including the initial Covenantor Board and the subsequent Home Owners Boards) and the officers of the Home Owners Association shall not be personally liable to the Home Owners Association for any mistake of judgment or acts or omissions made in good faith while acting in their capacity as directors or officers. The Home Owners Association shall indemnify, defend, and hold harmless the members of the Board and the officers thereof against all contractual liability to others rising out of contracts made by them on behalf of the Home Owners Association, unless such contracts shall have been made in bad faith or with knowledge that same was contrary to the provisions of this Declaration. The liability of any owner shall be limited to an amount determined by dividing the total liability by the total number of owners subject to the terms of this Declaration. All contracts and agreements entered into by the Board or officers shall be deemed executed by said parties as the case may be as agent for the owners or the Home Owners Association.

In the event of any disagreement between any member of the Home Owners Association a) relating to the maintenance, repair, or replacement of improvements within the landscape easements or entrance monuments or b) any questions or interpretation or application of the provisions of this Declaration or the By-Laws of the Home Owners Association, the determination thereof by the Board shall be final and binding on each and all such members of the Home Owners Association.

Section 6. Responsibility for Maintenance, Repair, and Replacement. The Home Owners Association shall be responsible for the maintenance, repair and replacement of the following in Ginger Woods:

- i. all entrance monuments and accompanying landscaping, vegetation, and grass;

- ii. the stormwater retention and detention areas designated on the Final Plat as Lots 59, 61, 62, and 152, the accompanying landscaping, vegetation, and grass located thereon, and the sump pumps and generator which service Lot 62, and;
- iii. the open space and landscape easement areas designated on the Final Plat as Lots 60, 151, and 153 and the accompanying landscaping, vegetation, and grass located thereon;
- iv. the landscaped islands located in the right of way of Ginger Woods Parkway, Charter Oak Court, Katie Court and Clarissa Lane and the accompanying landscaping, vegetation, and grass located thereon;
- v. any property owned or leased by the Home Owners Association;

Section 7. Meetings. The initial meeting of the voting members of the Home Owners Association shall be held as specified in Article IV, Section 5 herein. The Covenantor or the initial Board of Directors shall notify the members of the Home Owners Association of said initial meeting at least ten days prior to the date of the meeting. Thereafter, there shall be an Annual Membership Meeting of the voting members, as herein defined, on the first Monday in October or at such other reasonable time or date no more than thirty days before or after said date as may be designated by written notice of the Board of Directors delivered to the membership not less than ten days prior to the date fixed for said meeting. The purpose of the initial Annual Membership Meeting and all subsequent Annual Membership Meetings shall be to elect directors and to conduct Association business. Special meetings of the voting members may be called at any time for the purpose of considering matters which by the terms of this Declaration require the approval of all or some of the voting members, or for any other reasonable purpose. Said meetings may be called by the president, the Board of Directors, or the voting members

having, in the aggregate, not less than ten percent of the total votes of the Home Owners Association. Special meetings shall be held as provided in the Home Owners Association By-Laws.

The presence in person or by written proxy at any meeting of the voting members having fifty percent of the total votes of the Home Owners Association shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein or required by the General Not-For-Profit Corporation Act or the Articles of Incorporation of the Home Owners Association, any action may be taken at any meeting of the voting members at which a quorum is present upon the affirmative vote of the voting members having a majority of the total votes present at such meeting.

Section 8. Loan and Encumbrances. The Home Owners Association through the Board of Directors may not obtain a loan, whether secured or unsecured, or encumber the assets of the Association without approval by the majority of the total votes of the Home Owners Association present in person or by written proxy at a membership meeting called for this purpose. The presence in person or by proxy at said meeting of not less than sixty percent of the total membership shall constitute a quorum required for any action on this issue. However, said loan or encumbrance must be approved by not less than fifty percent of the total membership of the Home Owners Association. This provision shall not restrict the power of the Board or the Home Owners Association to contract for goods or services in the ordinary course of the Association's operations.

This provision may not be amended except by approval of not less than sixty percent of the total membership of the Home Owners Association present either in person or by written proxy at a meeting called for this purpose, all in accordance with Article X of this Declaration.

Section 9. Rules and Regulations. The Board of Directors shall have the authority from time to time to adopt rules and regulations governing the administration and operation of the Subject Property, subject to the terms of this Declaration.

ARTICLE V

MAINTENANCE ASSESSMENTS FOR GINGER WOODS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each owner of a lot in Ginger Woods by acceptance of a deed or other document of conveyance therefore, whether or not it shall be so expressed in any deed or other document or conveyance, shall be deemed to covenant and agree to pay to the Home Owners Association regular assessments of charges and special assessments for capital improvements and maintenance expenses as provided herein. Such assessments shall be fixed, established, and collected from time to time as hereafter provided. The regular and special assessments together with such interest thereon and costs of collection thereof as hereinafter provided shall be a charge against and a continuing lien upon the lot against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the owner of such lot at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Home Owners Association shall be used for the purpose of promoting the health, safety, and welfare of the residents in the Subject Property and for any purpose of the Home Owners Association as specified in this Declaration or the Articles of Incorporation. All funds collected (except for such special assessment as may be levied against less than all of the members and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held in trust for the benefit, use, and account of each of the members in the ratio that the number of lots owned by it bears to the total number of lots in the Subject Property as the same is constituted from time to time.

Section 3. Regular Assessments. The Home Owners Association, through the Board of Directors, shall levy for each assessment year an assessment, applicable to that

year only, for the purpose of enabling the Home Owners Association to exercise its powers and duties and to fulfill its responsibilities as delineated herein.

Section 4. Procedure. The Board of Directors of the Home Owners Association shall determine the amount of the assessment against each lot for each assessment year. The assessment shall be allocated equally against all lots in Ginger Woods, including those lots owned by the Class B voting members. The Board of Directors shall notify in writing each member of the Home Owners Association of the amount of the assessment against the member's lot no later than December 15 of each year. On or before February 1 of the ensuing calendar year, or otherwise as provided by the Board of Directors, each owner, jointly and severally, shall be personally liable for and obligated to pay to the Home Owners Association the annual assessment.

NOTIFY BY 12/15

PAY BY 2/1

On or before April 1 of each calendar year, the Board shall supply all members an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any net shortage shall be billed to each owner equally and each owner shall be required to pay same within ten days from the receipt of the bill. The Board of Directors shall prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Home Owners Association and shall be open to inspection by any owner.

ANNUAL REPORT

SHORTAGES

The Home Owners Association shall, upon written demand at any time, furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Home Owners Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. The Board of Directors may establish a fee and method of payment for said fee for furnishing said certificate.

PROOF OF PAYMENT OF ASSESSMENT

Section 5. Change in Basis of Regular Assessments. The Board of Directors of the Home Owners Association may change the amount of the regular assessment during any assessment year provided that any increase in the assessment shall be approved by a majority of the Board of Directors at a meeting duly called for this purpose with appropriate notice and information provided to the membership prior to said meeting.

Section 6. Special Assessment for Maintenance Expenses. In addition to the regular assessments authorized by Section 3 hereof, the Home Owners Association, through the Board of Directors, may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any taxes or unexpected repair or replacement of any of the vegetation or improvements which are the responsibility of the Homeowners Association as specified herein; provided that any such assessments shall be approved by a majority of the Board of Directors, at a meeting duly called for this purpose with appropriate notice and information provided to the membership prior to said meeting.

The special assessment shall be allocated equally against all lots in Ginger Woods, including those lots owned by the Class B voting members.

Section 7. Special Assessment for Capital Improvements. In addition to the regular assessments authorized by Section 3 hereof, the Home Owners Association, through the Board of Directors, may levy in any assessment year a special assessment, applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction of any improvements which are the responsibility of the Homeowners Association as specified herein, provided that any such assessment shall be approved by not less than fifty percent of total membership of the Home Owners Association. There shall be a membership meeting called for the purpose of discussing the proposed special assessment and the voting may be either in person or by written proxy.

This provision may not be amended except by approval of not less than fifty percent of the total membership of the Home Owners Association. There shall be a membership meeting called for the purpose of discussing the proposed amendment and the voting may be either in person or by written proxy, all in accordance with Article X of this Declaration.

The special assessment shall be allocated equally against all lots in Ginger Woods, except for those lots owned by the Class B voting member; the Class B voting member shall not be obligated to pay any such annual assessments for capital improvements as defined in this paragraph.

Section 8. Reserve and Contingency Fund. The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Upon the conveyance of title to a lot to the first purchaser of a house on said lot, the grantee thereof shall pay to the Home Owners Association the sum of \$200.00 which shall be deposited in the reserve and contingency fund; said payment is not in lieu of any annual assessment and is not refundable to the purchaser upon sale of its lot.

Section 9. Effect of Non-Payment of an Assessment. If any regular or special assessment is not paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereon and costs of collection including reasonable attorneys' fees, become a continuing lien on the property and an equitable charge running with the land touching and concerning it, which shall bind upon property in the hands of the then owner, his grantees, heirs, administrators, executors, legal representatives, assigns and successors, and the limitation thereof shall coincide with the statutory limitation of the State of Illinois for the enforcement of oral agreements. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass as a personal obligation to his successors in title unless expressly assumed by them. If title to a lot is held by an Illinois Land Trust, the trustee shall not have any personal liability for the assessment, but

all beneficiaries of the trust shall be jointly and severally so liable. In the event title to a lot is held by more than one owner, all owners shall be jointly and severally liable. The lien shall attach to rents due from parties in possession to the record owners provided that it shall be subordinate to an assignment of rent held by a mortgagee delivered in connection with a first mortgage loan to purchase the property.

If the assessment is not paid within thirty days after the delinquency date, the assessment shall bear interest from the date of delinquency at the maximum rate of interest per annum permitted by the usury laws of the State of Illinois and the Home Owners Association may bring an action at law against the owner personally obligated to pay same or to foreclose the lien against the property and there shall be added to the amount of such assessment all the costs of preparing and filing the complaint and maintaining and concluding such action, including the cost of title reports, and in the event a personal judgment or decree of foreclosure is obtained, such judgment or decree shall include interest on the assessment as above provided and reasonable attorney's fees to be fixed by the court together with all costs of the action. The venue for all legal action shall be in DuPage County. The persons in possession shall be authorized to accept the summons for the owners of the lot.

In the event that title to any lot is conveyed to a land trustee, upon the demand of the Home Owners Association, the trustee shall furnish the Home Owners Association with a certified copy of the trust agreement so that the Home Owners Association shall be advised of the beneficiaries entitled to vote and who will be personally liable for the regular and special assessment.

Section 10. Continuing Obligation. The failure or delay of the Board of Directors to prepare or serve notice of the annual or adjusted assessment on the owners shall not constitute a waiver or release in any manner of such owner's obligation to pay the assessments herein described including the maintenance costs and necessary reserves for

the Home Owners Association as herein provided whenever the same shall be determined, and in the absence of notice of the annual or adjusted assessment each owner shall continue to pay the assessment at the then existing rate established for the previous period until such annual or adjusted assessment shall have been mailed or delivered.

Section 11. Accounting. The Board shall keep full and correct books of account of receipts and expenditures. Such records and the vouchers authorizing the payment therefor shall be available for inspection by any owner or any representative of any owner duly authorized in writing at such reasonable time or times during normal business hours as may be requested by the owner. Upon ten days' notice to the Board and payment of a reasonable fee, any owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or any other charges due and owing from such owner. The amount of said fee and the method of payment thereof shall be determined by the Board of Directors.

Section 12. Non-Escape from Obligation. No owner may waive or otherwise escape liability for the assessments provided for herein for any reason.

Section 13. Subordination of the Lien to the Mortgage. The lien for the assessments provided for herein may for any reason be subordinated by the Home Owners Association by written document executed by its duly authorized officers and shall without any writing be subordinated to the lien of any mortgage placed upon the properties subject to assessments for the purpose of purchasing the subject lot provided, however, that such automatic subordination shall apply only to the assessments which arise subsequent to the lien of the mortgage or mortgages; and provided further such subordination shall apply only to the assessments which have become due and payable prior to the sale or transfer of such property pursuant to the decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The owners agree upon accepting title that the lien of the assessments shall

be prior to the homestead right of the owners since it runs with the land and is in existence before commencement of ownership interests.

ARTICLE VI

MAINTENANCE AND REPAIR

Section 1. Responsibility of Owners. Each owner of a Lot in the Subject Property shall provide, at his own expense, all of the maintenance, decorating, repairs, and replacement on his own Lot and adjoining parkways, except for those portions of lots which are to be maintained by the Home Owners Association in accordance with Section 2 below, and shall keep same in good condition.

Within ninety days of the date of issuance of a certificate of occupancy for Dwelling, the owner of the Lot shall seed or sod the entire Lot with grass, weather permitting. The front and corner side yards shall be sodded (except for designated Landscape Easements which shall be sodded or seeded). Seed will be permitted in rear yards only.

Section 2. Responsibility of Home Owners Association. The Home Owners Association shall be responsible for the maintenance, repair, and replacement of the property as specified in Article IV, Section 4d of this Declaration.

Section 3. Liability for Damage to Property. Each property owner in Ginger Woods shall be liable for the expense of any maintenance, repair, or replacement of any of the property the Home Owners Association is responsible to maintain in the Subject Property rendered necessary by his act, neglect, or carelessness or by that of any member of the Home Owners Association of his family or his guests, employees, agents, or lessees. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights or subrogation.

ARTICLE VII

ARCHITECTURAL STANDARDS AND USE RESTRICTIONS FOR DWELLING UNITS

Section 1. Design Review Committee.

a. Purpose. The Design Review Committee is established to ensure that Ginger Woods remains an attractive, harmonious residential development having continuing appeal. In order to achieve this objective, architectural controls and maintenance standards shall be established. The purpose of the Design Review Committee is to maintain the aesthetic harmony within Ginger Woods community through assistance and review of various exterior improvements to homeowner's property, including, but not limited to, landscaping.

b. Composition. The Design Review Committee shall consist of three members which shall be appointed by the Board of Directors. The initial Design Review Committee shall consist of one representative from each of the following: Kingsland Development Corp., Sterling Homes, Ltd., and Traditions, Inc. The Board of Directors reserves the right to remove and replace any member of the Design Review Committee, at any time, at its sole discretion. The By-Laws and/or Design Review Guidelines of the Association shall set forth the (i) powers of the Design Review Committee, (ii) the criteria by which the Design Review Committee will review proposed plans, (iii) the number, tenure, term and qualifications of the members of the Design Review Committee, (iv) manner of appointment and removal, (v) and the operation of the Design Review Committee. Until there are no remaining Class B voting members pursuant to Article IV, Section 3b hereof, the Covenantor shall be deemed to be the Design Review Committee and the Covenantor shall establish the Design Review guidelines.

c. Guidelines. The Association shall establish Design Review Guidelines which shall set forth architectural and maintenance standards for (i) the construction, erection, installation or maintenance of any new improvements, (ii) modifications and

maintenance of existing improvements, and (iii) maintenance of properties. Said guidelines may be applicable to any improvement, structure or landscaping relating to the Dwelling Unit or located anywhere on the lot. Said guidelines shall be approved by the Board of Directors of the Association upon recommendation by the Design Review Committee.

The guidelines established by the Association shall not be applicable to (i) reconstruction of a Dwelling Unit provided the exterior of the Dwelling Unit is built in substantial accordance with the originally approved size, footprint, color scheme and architectural style of the Dwelling Unit, (ii) repainting of the exterior of a Dwelling Unit provided same is similar to the original color scheme, and (iii) repainting or remodeling of the interior of a Dwelling Unit.

d. Review. No Dwelling Unit shall be constructed, no addition to an existing building or other structure shall be commenced or erected, no grading and/or landscaping shall be altered, commenced, installed, or removed, nor shall any addition to any building or structure or change or alteration therein be made, except interior alterations, nor shall any repainting, remodeling or replacement of any exterior portion of any building or other structure be commenced, except as provided in paragraph c above, until the plans and specifications of such building, grading, landscaping or other structure shall have been submitted to and approved in writing by the Design Review Committee. Any person, persons or entity desiring any of the foregoing shall prepare and submit the following documents for review: a written application, a site plan, landscape plan and civil engineering (if requested by the Committee). The plans and specifications shall show the nature, kind, shape, height, materials and color scheme of such building, structure or landscaping as well as the exterior front, side and rear elevation of said building or structure. A plat of survey (drawn to scale) shall also be submitted showing the existing improvements, including any landscaping, on the lot and the location of the proposed building, structure, or landscaping on the lot. The Design Review Committee shall have

the right to refuse to approve any such plans or specifications which are not suitable or desirable, in its opinion, due to aesthetic or other reasons. In so passing on such plans and specifications, the Design Review Committee shall have the right to take into consideration (i) the suitability of the proposed building or other structure with the surroundings and (ii) the effect of the building or other structure on the outlook from adjacent or neighboring properties. The review of any plans and specifications shall be based on the architectural guidelines established by the Association. All necessary governmental permits shall be obtained and any work undertaken shall comply with all applicable governmental regulations.

Three copies of all plans, specifications and other material shall be filed in the office of the Association for approval or disapproval. The Association may charge a review fee to offset costs which the Association may incur to perform its review. A report in writing setting forth the decision of the Committee and the reason therefore shall thereafter be transmitted to the applicant by the Committee within a reasonable period of time but no later than forty-five days after the date of filing the plans, specifications and other material by the applicant. In the event the Committee fails to approve or disapprove within forty-five days after submission the final plans, specifications and other material as required in this Declaration, approval shall not be required, and the related requirements of this Declaration shall be deemed to be complied with. If an applicant disagrees with the decision of the Design Review Committee, then the applicant may request that the Board of Directors review the proposal and the Design Review Committee decision. The decision of the Board shall be final.

Section 2. Minimum Square Footage of Dwelling Units. All dwelling units constructed on the Subject Property described in Exhibit A shall provide at a minimum, the following area of finished living quarters:

- a. One story dwelling: 1,800 square feet.
- b. Two story dwelling: 2,400 square feet.

This Section may only be amended by the Covenantor. The Home Owners Association shall not amend this provision regarding the minimum square footage of dwelling units.

Section 3. Setbacks.

All Dwelling units constructed on the Subject Property described in Exhibit A shall meet the City of Aurora's R-1(S) setback standards except as modified as follows:

- a. Front yard - 25 feet
- b. Exterior side yard - 15 feet
- c. Rear yard - 20 feet

Section 4. Construction Standards for Dwelling Units.

a. All front elevations shall be comprised substantially of brick, stone, EIFS or glass. Siding will be permitted on a small portion of the front elevation depending on the design and at the sole discretion of the Design Review Committee. Porch roofs shall be an integral part of the design.

b. Asphalt, fiberglass, EPDM or similar materials shall not be used over bay windows on front or side elevations.

c. Side and rear elevations may be brick, stone, EIFS, glass or siding of metal, vinyl or wood.

d. Soffits, fascia and trim may be metal, vinyl or wood, subject to integration into the overall design.

e. Windows shall be wood with cladding permitted.

f. Addresses shall only be displayed by integrating engraved stonework or EIFS into the front elevation.

g. Mailboxes with plastic or metal poles are not permitted.

h. Landscaping: Front and side yards are to be sodded. Parkway trees shall be planted with not more than 35 lineal feet between them, subject to existing trees, utilities, pavement, approved landscape plans and City of Aurora ordinances.

i. All dwelling units in Ginger Woods shall provide at a minimum a two-car attached garage.

j. All dwelling units in Ginger Woods shall have different exterior elevations. No duplication shall be permitted.

Section 5. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept anywhere on the Subject Property except that dogs, cats, or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. No dog kennels or enclosures of any type shall be kept or maintained outside the Dwelling Unit and no household pets of any type whatsoever shall be kept, maintained, or housed anywhere except inside the Dwelling Units or garages. The owners of household pets shall be responsible for cleaning up after their pets and shall be responsible to repair and to pay for any damage caused by the animal. No animal shall be permitted if it is a nuisance to any other resident of Ginger Woods.

All household pets shall not be allowed unattended outside the Dwelling Unit. If a pet is taken off of the owner's property, the pet must be on a leash. Animals shall not be allowed to run loose, except within its Owner's Lot and as allowed by City of Aurora Ordinances. Owners in the Subject Property shall be likewise responsible for and be subject to these provisions for the household pets of their guests.

Section 6. Landscape Conservation Areas. There shall be no planting or removal of any landscaping material in those areas identified as a Landscape Easement without the prior written permission of the Design Review Committee. Further, no maintenance of a Landscape Easement shall be undertaken without the prior written approval of the Design Review Committee.

Section 7. Accessory Buildings. No accessory buildings or structures shall be located in Ginger Woods without approval of the Design Review Committee, and, if allowed, and shall be finished so as to blend visually with the dwelling unit.

Section 8. Antennae and Satellite Dishes. No exterior television antennae or radio antennae of any type whatsoever shall be erected, installed, or maintained, temporarily or permanently, anywhere on the Subject Property.

Satellite dishes eighteen inches or smaller and/or receivers may be erected and maintained subject to the Design Review Guidelines established by the Association and the ordinances and regulations of the appropriate governmental authorities and plans approved by the Design Review Committee.

Section 9. Condition of Property. Except in designated Landscape Easements, no weeds, underbrush, or other unsightly growths shall be permitted to grow or remain upon the exterior of any Dwelling Unit. No refuse pile or unsightly object shall be allowed to be placed or maintained anywhere on the Subject Property. Trash, garbage, or other waste shall not be kept except in sanitary containers which must be properly maintained. No trash, garbage, or other waste shall be stored, kept, or maintained anywhere except within the Dwelling Units or the garages, except on such days as such trash, garbage, or other waste material is to be collected and removed. In addition, no object of any kind shall be stored, kept, or maintained anywhere except within the Dwelling Units or the garages. Notwithstanding the foregoing, said provision shall not apply to the Covenantor during the construction of the Subject Property.

Section 10. Fences. Any fence erected, installed, or maintained in Ginger Woods shall comply with the Design Review Guidelines established by the Association and the ordinances of the appropriate governmental authority. All fences shall be approved by the Design Review Committee.

No cyclone, chain link or stockade fences shall be permitted within the Subject Property, unless same is the only fence allowed by the appropriate governmental authority to enclose in-ground swimming pools.

The provisions of this Section 9 shall not apply to any fence constructed by the Covenantor or the Association. There will not be any restrictions regarding said fences.

Section 11. Home Occupations. All lots in Ginger Woods may be used only for residential purposes, and for those home occupations permitted by the City of Aurora in the R-1 district. Furthermore, an owner may conduct his or her occupation in the residence provided that the following conditions are met:

- i. no commercial activities shall be permitted;
- ii. only the owner of the residence and any resident thereof shall be permitted to conduct the home occupation;
- iii. no signs shall be permitted;
- iv. all ordinances and regulations of the appropriate governmental authority shall be complied with.

Section 12. Recreational Vehicles. All vehicles, including but not limited to automobiles, vans, camping trailers, boats, tractors, trucks, motorcycles, mobile homes, junk cars or other vehicles of any type whatsoever shall not be stored, permanently or temporarily, anywhere on the Subject Property, except in an enclosed garage. Notwithstanding the foregoing, the following exceptions shall be allowed: a) camping trailers, boats, and recreation vehicles (not including mobile homes) may be parked on driveways for a period of one day while the Owner of the Dwelling Unit is preparing for or unloading from a trip and b) the operable automobiles being used by the owners, occupants, and their invitees, of any of the Dwelling Units in Ginger Woods may be parked on the owners' driveways and public streets as permitted by law.

Section 13. Signs. No signs of any kind shall be erected in Ginger Woods, except "For Sale" signs shall be permitted in accordance with the ordinances of the appropriate governmental authority. This section shall not apply to the Covenantor.

Section 14. Swimming Pools. Only in-ground swimming pools may be erected, installed, or maintained anywhere on the Subject Property. No above-ground swimming pools shall be erected, installed, or maintained anywhere on the Subject Property.

Section 15. Trucks. Trucks with Class C or higher license plates shall not be parked, stored, or left unattended, permanently or temporarily, anywhere on the Subject Property, except in an enclosed garage or other enclosed structure. Notwithstanding this provision, trucks used by service companies or construction trades may be parked while providing its service to the owner of the Dwelling Unit.

The provisions of this Section 15 shall not apply to any trucks or trailers used by the Covenantor, its employees, contractors, subcontractors, or materialmen in the construction of the Subject Property.

Section 16. Impairment of Structural Integrity of Building. Nothing shall be done in any Dwelling Unit or in, on or to the Common Area which will impair the structural integrity of any Building.

Section 17. Quiet Enjoyment. No unlawful, noxious, immoral, or offensive activity shall be conducted anywhere on the Subject Property or in any Dwelling Unit nor shall anything be done thereon and/or therein either willfully or negligently which may become an annoyance or nuisance to any neighboring residents within Ginger Woods.

Section 18. Application of Government Regulations. All structures to be erected shall comply with all government regulations, including zoning and building codes, unless said non-compliance is approved by the appropriate governmental authority.

ARTICLE VIII

COVENANTOR'S RESERVED RIGHTS

Section 1. Easements. Notwithstanding any provisions contained herein to the contrary, all covenants, restrictions, conditions, reservations, easements, charges, and liens

created under this Declaration shall be subject to easements of record on the date hereof and any easements which may hereafter be granted by the Covenantor.

Section 2. General Rights. The Covenantor shall have the right to execute all documents or undertake any actions affecting the Subject Property which in its sole opinion are either desirable or necessary to fulfill or implement, either directly or indirectly, any of the rights granted or reserved to it in this Declaration.

Covenantor and builders approved by Covenantor, at its sole discretion, shall have the right to maintain sales facilities, models, and signage on the Subject Property, for themselves only, without payment of any rent or other fee or charge therefor during the construction and sales period for Ginger Woods.

The Covenantor shall have the right to amend this Declaration in whole or in part without complying with Article XII of this Declaration. This right shall cease upon the election of the initial homeowners Board of Directors.

ARTICLE IX

EASEMENTS

Section 1. Easements for Utilities and Landscape Conservation. Easements for the installation, construction, reconstruction, maintenance, repair, operation, and inspection of sewer, water, gas, drainage, electric, telephone, or other public utility services or for the maintenance of landscaping shall be granted as shown on each final plat of Ginger Woods. Any additional easements for such purposes may be granted by the Covenantor and/or the Board of Directors at any time for the purpose of obtaining such utility services or establishing and maintaining landscaping.

The provisions of this Declaration concerning rights, violations, enforcement, and severability are hereby made a part of the foregoing provisions relating to perpetual sewer, water, gas, drainage, and other easements, and notwithstanding any amendment to any

other provisions of this Declaration, the aforesaid easement rights contained herein shall be perpetual and run with and bind the land forever.

ARTICLE X

CITY OF AURORA RIGHTS

The following covenants and provisions are intended to inure to the benefit of the City of Aurora and it is specified and provided as follows:

- a. In the event the Association fails to perform any of its obligations required to be performed by it pursuant to the provisions of this Declaration and such delinquency shall exist on the part of the Association for a period of thirty days after the date of delivery by the City to the Association of written notice advising the Association of the existence and nature of such delinquency, the City shall have the right, but not the obligation, to perform the obligations required to be performed by the Association pursuant to this Declaration. In the event the City elects so to do, the Association shall pay promptly to the City the amount of the cost and expense incurred by it in the performance of such work, including compensation for staff time, the use of City equipment, as well as materials and outside services.
- b. In the event the City performs any of the Association's duties and obligations and the Association fails to pay the City any costs it incurred as aforesaid, within thirty days after the date of the City's demand for payment or date of any statement, the City shall have the right to levy an assessment on all lots delineated on the Final Plat for the costs and expenses incurred by it in the performance of such work to the same extent and as fully as the Association might do pursuant to the provisions contained herein. Should any Lot Owner fail to pay to the City such Owner's portion of any assessment levied pursuant to this paragraph upon the due date thereof, then the City shall have the right to exercise all rights, powers, privileges and remedies granted to the

Association by this Declaration, and any other remedies provided by law. This paragraph is not a limitation on other remedies that may be pursued by the City.

ARTICLE XI
SALE, LEASE OR OTHER TRANSFER OF
PROPERTY PRIOR TO CONSTRUCTION OF FOUNDATION

Section 1. Right of Owners to Transfer Free of Covenantor's Options. The option given to Covenantor by Section 2 below to re-acquire any Lot or Lots shall not apply to any sale, lease, gift, devise or other transfer by Covenantor, or by an Owner, to a Co-Owner or to the spouse or child or children of an Owner, or to any trustee of a trust of which the sole beneficiary or beneficiaries is, or are the Owner, the spouse or children of the Owner, or any one or more of them.

Each section of this Article XI is expressly made subject and subordinate to the right of each Owner (and of Covenantor) to transfer his or her Lot or Lots to a party specified in this Section free of the option given Covenantor by Section 2 below, except that the recipient of said transfer pursuant to this Section 1 shall be subject to the provisions of Section 2 below.

Section 2. Sale or Lease of Property. Any Owner other than Covenantor under this Declaration who wishes to sell his or her Lot prior to the construction of a foundation and completion of all improvements thereon, including the issuance of a certificate of occupancy, on any Lot or Lots, shall give the Covenantor not less than thirty (30) days prior written notice by certified mail, return receipt requested, of the Owner's intent to sell. The Covenantor shall have the option to purchase such Lot for the Repurchase Price. The Repurchase Price shall be the lesser of 1) the terms and conditions negotiated with a bona fide third party or, 2) the price at which Covenantor sold such Lot to Owner, plus an amount equal to 12% of said price per annum simple interest, together with the lesser of the material cost or fair cash market value of any improvements or Government fees or

impositions then in place and paid by Owner. Said option to be exercisable by the Covenantor within thirty (30) days of the date of the receipt of notice and information by the Covenantor. The fair market value of any improvements then in place shall be determined by appraisal by an independent appraiser. No sale shall be consummated prior to the expiration of said thirty-day (30) period without Covenantor's written consent, and if a sale is consummated in violation of this provision, then, at the option of the Covenantor, the consummated transaction shall be deemed void and wholly inoperative. This Section 2 is expressly made subject to and subordinate to the right of each Owner (and of Covenantor) to transfer his Lot to a party specified in Section 1 herein, free of the option given to Covenantor by this Section 2.

Section 3. Construction on a Lot. Prior to the construction on any Lot, Covenantor reserves the right to approve the builder, which builder shall have built homes of the same or similar value, size and character as buildings located or to be located on the Subject Property and shall be subject to the written approval of Covenantor prior to construction. Covenantor shall have the right to require such builder to deposit a performance bond in a reasonable amount, such bond to be held by the Covenantor. In the event Covenantor rejects the use of any builder and Owner desires not to substitute another builder or refuses to accept the decision of the Covenantor, said Owner shall be obligated to sell his Lot and Covenantor shall be obligated to purchase said Lot in accordance with Section 2 above. In the event the Owner is builder and said builder no longer desires to construct a single-family residence on Owner's Lot or Lots, the provisions of Section 2 shall apply and said builder shall be obligated to grant Covenantor the option to purchase Owner's Lot or Lots. If Owner fails to commence substantial construction of a single-family detached residence on his Lot or Lots within one (1) year after conveyance of the Lot or Lots to him by the Covenantor or fails to complete construction within one (1) year thereafter, the provisions of Section 2 shall apply and said

Owner shall be obligated to grant Covenantor the option to purchase his Lot or Lots and Owner shall be required to give written notice, certified mail, return receipt requested, to Covenantor in accordance with Section 2 above.

Section 4. Involuntary Sale of Lot. If any Lot is sold at a judicial or execution sale (other than a mortgage foreclosure sale), prior to receipt of a certificate of occupancy, the purchaser of such Lot, before taking possession, shall give not less than thirty (30) days notice of his intended possession pursuant to his purchase. The Covenantor shall thereupon have an option to purchase the Lot for the price for which said Lot was sold by said Covenantor. If Covenantor elects to exercise its option to purchase, Covenantor shall tender the required sum to said purchaser within said thirty (30) day period, and if it fails to do so, purchaser shall then be entitled to take possession free and clear of the option provided for in this subsection.

If a mortgage held by a bank, savings and loan association, insurance company or other commercial lender is foreclosed, the mortgagee shall have the right to acquire the mortgaged Lot at its foreclosure sale, either in its own name or in the name of a nominee. If, however, at any time after such acquisition, the mortgagee desires to sell the Lot it has acquired through its foreclosure, then the proposed purchaser, before executing a contract to purchase, shall give not less than thirty (30) days' written notice to the Covenantor of his intention to purchase said Lot. The Covenantor shall thereupon have an option to purchase the Lot for the price at which it was sold at said sale to said purchaser. If the Covenantor elects to exercise its option to purchase, Covenantor shall tender the required sum to said lender within said thirty day (30) period, and if Covenantor fails to do so, the purchaser shall then be entitled to purchase free and clear of the option provided for in this subsection.

Section 5. Title to Acquire Interest. Title to any Lot acquired pursuant to this Article XI shall be held in the name of the Covenantor or in the name or names of its nominee or nominees, but title, however held, shall be for the benefit of Covenantor.

Property acquired by Covenantor pursuant to this Article XI may thereafter be sold by Covenantor on whatever terms it deems appropriate. All net proceeds of a sale acquired by Covenantor shall be the sole property of Covenantor.

ARTICLE XII AMENDMENTS

Section 1. Amendments. The provisions of this Declaration may be changed, modified, or rescinded by an instrument in writing setting forth such change, modification, or rescission, certified by the Secretary of the Board of Directors. Said change, modification, or rescission shall be approved by a majority of the number of votes of the Home Owners Association present in person or by written proxy at a membership meeting called for this purpose. The presence in person or by written proxy at said meeting of fifty percent of the total membership shall constitute a quorum. However, said change, modification, or rescission must be approved by a majority vote of members in attendance either in person or by written proxy but by not less than fifty percent of the total membership of the Home Owners Association unless a higher percentage is required as specified in this Declaration.

Section 2. Notice of Amendment. The change, modification, or rescission, accomplished under the provisions of the preceding paragraph, shall be effective upon recordation of such instrument in the Office of the Recorder of Deeds of DuPage County, Illinois and in the office of the Recorder of Deeds of Kane County, Illinois.

Section 3. Rights of Covenantor. No amendment which shall adversely affect the rights of the Covenantor (including, but not limited to, the right to maintain sales facilities, signs, and access for construction set forth in this Declaration) shall be effective without

the Covenantor's express written consent thereto. Covenantor may assign or delegate its rights hereunder to one or more builders who purchase lots from Covenantor.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Duration. The covenants, restrictions, conditions, reservation, easements, charges, and liens as delineated in this Declaration shall run with and bind the land so as to insure the owners of single-family lots and beneficiaries or trusts holding title to single-family lots in Ginger Woods full enjoyment and benefit of their property. They shall inure to the benefit of and be enforceable by the Home Owners Association, or the owner of any lot subject to this Declaration, their respective grantees, heirs, administrators, executors, legal representatives, successors and assigns, for a term of thirty years from the date this Declaration is recorded, after which time these covenants, restrictions, conditions, reservations, easements, charges, and liens shall be automatically extended for successive periods of ten years unless an instrument signed by the then owners of sixty-six percent of the single-family lots in Ginger Woods has been recorded agreeing to change said covenants, restrictions, conditions, reservations, easements, charges, and liens in whole or in part. No such agreement to change shall be effective unless made and recorded three years in advance of the effective date of such change and unless written notice of the proposed agreement is sent to every owner at least ninety days in advance of any action taken.

Section 2. Notices. Any notice required to be given to any owner under the provisions of this Declaration shall be deemed to have been properly given if said notice was either a) sent by mail with postage prepaid to the last known address of the person or entity who appears as the owner on the records of the Home Owners Association at the time of such mailing or b) personally delivered to the last known address of the person or

entity who appears as the owner on the records of the Home Owners Association at the time of such delivery.

Section 3. Model Homes. It shall not be deemed to be a violation of these covenants and restrictions for the Covenantor or its assignee to permit the erection or maintenance of model homes anywhere within the Subject Property. However, model homes may be maintained only for a period of not more than one year after the completion and occupancy of one hundred percent of the total number of residences to be constructed in the Subject Property. No model home may be erected or maintained unless approved by the Covenantor.

Section 4. Leasing of Residence. If any owner shall lease his residence, such lease shall be in writing and shall provide that the lease and lessee shall be subject to all of the terms, conditions, and restrictions of this Declaration and the applicable By-Laws, and any breach thereof shall constitute a default under such lease by lessee. The owner shall remain bound by all obligations set forth in this Declaration.

Section 5. Rights and Obligations. Each grantee by the acceptance of a deed of conveyance, and each purchaser under any contract for such deed or other conveyance, accepts the same subject to a) all covenants, restrictions, conditions, reservations, easements, charges, and liens, and the jurisdiction, rights, and powers created by this Declaration, and b) all rights, benefits, and privileges of every character hereby granted, created, reserved, or declared. All impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall inure to the benefit of such person in like manner as if he had been the original grantee under the deed of conveyance or any mortgage or trust deed or other evidence of obligation, to the rights described in this Declaration, and shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees, and trustees of such owners as fully and completely as though such rights were recited fully and set forth in their entirety in such documents.

Section 6. Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a residential community of high quality and character.

Section 7. Covenant to Abide by this Declaration. The Covenantor covenants to abide by each and every covenant, restriction, condition, reservation, easement, charge, and lien set forth herein and agrees that all conveyances shall be subject to this Declaration as though each and every provision herein was set forth in each and every deed or document affecting title to the property.

Section 8. Covenant in Event of Dissolution of the Home Owners Association. In the event the Home Owners Association is dissolved, the owners of single-family lots in Ginger Woods agree that all provisions contained herein regarding maintenance, repair, and replacement in the Subject Property shall still apply and that those provisions of this Declaration shall be in full force and effect. Prior to the dissolution of the Home Owners Association, provisions shall be made as to how the responsibilities and obligations of the Association shall be handled by the single-family lot owners in Ginger Woods.

Section 9. Property Ownership in Trust. In the event title to any lot is conveyed to a title-holding trust, under the terms of which all powers of management, operation, and control of the property remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants, and undertakings chargeable or created under this Declaration against such lot ownership. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or a lien upon the property ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such property ownership.

Section 10. Enforcement. Enforcement of these covenants, restrictions, conditions, reservations, easements, charges, and liens shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, restriction, condition, reservation, easement, charge, or lien, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants and restrictions. All costs of enforcement, including litigation expenses, title reports, and attorney's fees, shall be paid by the person violating or attempting to violate any covenant and restriction and any judgment or decree shall so provide for payment of these costs. Failure by the Covenantor, the Home Owners Association, or any owner of a lot in Ginger Woods to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration or the By-Laws shall be deemed to be abrogated or waived by reason of any failure to enforce same irrespective of the number of violations or breaches which may have occurred.

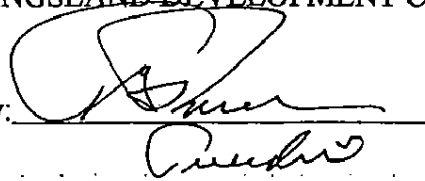
The Covenantor reserves the right to enforce these covenants, restrictions, conditions, reservations, easements, charges, and liens for so long as they shall exist.

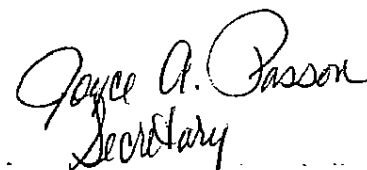
Section 11. Severability. Invalidation of any one of these covenants, restrictions, conditions, reservations, easements, charges, or liens by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, KINGSLAND DEVELOPMENT CORP., has caused its corporate seal to be affixed hereunto and caused its name to be signed hereto by its duly authorized officers on the day first above written.

KINGSLAND DEVELOPMENT CORP.

ATTEST:

By: 

By: 
Joyce A. Passon
Secretary

Title: _____

Title:

STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Philip G. Passan, personally known to me to be the of Kingswood Del Corp, an ILLINOIS corporation, and Joyce A. Passan, personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such and _____, they signed and delivered the said instrument as and officers of said corporation and they caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.
Given under my hand and official seal, this 15th day of July, 1999.



Melanie B. Young
Notary Public

Permanent Parcel Numbers:

See attached Schedule 1 for Permanent Parcel Numbers.

This Document Prepared By and Return To:

Stephen J. Rhoades
Dommermuth, Brestal, Cobine & West, Ltd.
123 Water Street, P.O. Box 565
Naperville, IL 60566-0565
(630)355-5800