

**INDENTURE OF TRUST AND RESTRICTIONS FOR
THE VILLAS AT PINE VIEW
CITY OF HIGHLAND, COUNTY OF MADISON, STATE OF ILLINOIS**

THIS INDENTURE OF TRUST AND RESTRICTIONS FOR THE VILLAS AT PINE VIEW (the "Indenture"), made and entered into this _____ day of _____, 2005, by and between the RETKO GROUP, LLC, an Illinois Limited Liability Company, hereinafter referred to as "Grantor," and THE VILLAS AT PINE VIEW HOMEOWNERS' ASSOCIATION, an Illinois not-for-profit corporation, hereinafter referred to as the "Association" or, for purposes of recording this Indenture in the Madison County Records, "Grantee."

WITNESSETH THAT:

WHEREAS, Grantor is the owner of a tract of real property (the "Property") located in the City of Highland, County of Madison, State of Illinois, as more particularly described on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Grantor has caused the Property to be subdivided under the name "The Villas at Pine View" (sometimes hereinafter referred to as the "Subdivision"), and has caused or will cause the record plat(s) of such Subdivision to be recorded in the Madison County Records; and

WHEREAS, Common Ground has been or will be reserved on the plat(s) of the Subdivision, and there has been and will be designated, established and recited on such plat certain streets, Common Ground and easements which are for the exclusive use and benefit of the residents of the Subdivision, except those streets or easements which are or may hereafter be dedicated to public bodies and agencies and which have been provided for the purpose of constructing, maintaining and operating sidewalks, sewers, pipes, poles, wires, storm water drainage, parks and other facilities and public utilities for the use and benefit of the residents of the Subdivision; and

WHEREAS, Grantor, being the owner of the entire tract, may desire, from time to time, to encumber and dispose of parts thereof; and

WHEREAS, it is the purpose and intention of this Indenture to protect the Subdivision against certain uses by the adoption of this Indenture, and to apply the plan contained in this Indenture to all of said land described herein, including all Common Ground, and mutually to benefit, guard and restrict future residents of the Subdivision and to foster their health and safety; and

WHEREAS, all reservations, limitations, conditions, easements and covenants herein contained (all of which are sometimes hereafter termed "restrictions") are jointly and severally

for the benefit of all persons who may purchase, hold or reside upon the tract covered by this instrument.

NOW, THEREFORE, in consideration of the premises and of the mutual promises, covenants and agreements made by the parties hereto each to the other, the receipt and sufficiency of which is hereby acknowledged, the parties hereto COVENANT and AGREE to and with each other, collectively and individually, for themselves, their heirs, successors and assigns, and for and upon behalf of all persons who may hereafter derive title to or otherwise hold through them, together with their heirs, successors or assigns, any of the lots and parcels of land in the Subdivision, all as hereinafter set forth:

ARTICLE I

DEFINITION OF TERMS

The following terms when used in this Indenture (unless the context requires otherwise) shall have the following meanings:

1. “Association” shall mean and refer to the The Villas at Pine View Homeowners’ Association, an Illinois not-for-profit corporation, and its successors and assigns, and shall be that Association referred to in Article 1.1 of the Declaration.
2. “Board” or “Directors” shall mean the Board of Directors of the Association.
3. “Builder” shall mean any Person who purchases vacant lots or parcels of land within the Property for the purpose of constructing improvements thereon for sale or lease to third persons.
4. “Common Expenses” shall mean the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate. Common Expenses shall not include any expenses for initial development or other original construction costs unless a majority of the Class “A” Members approve such expenditure.
5. “Common Ground” shall mean and refer to all real property and the improvements thereon owned by the Association and all easements, licenses and other rights held by the Association for the common use and enjoyment of all Owners including, without limitation, parks, open spaces, cul-de-sac islands, recreational facilities, lakes, streets, designed off-street parking spaces, paths, trails, walkways, storm water (including detention basins) and sanitary sewers and drainage facilities, retaining walls, subdivision entrance ways, monuments and gates, street lights, and other such areas and facilities as may be shown on the record plat(s) of the Subdivision. Nothing hereinabove contained shall be deemed a representation that any of the enumerated facilities are or will be included in the Subdivision or that any such facilities will be constructed upon Common Ground.

6. "County" shall mean and refer to Madison, Illinois.
7. "Grantor" shall mean and refer to RETKO GROUP, LLC, an Illinois Limited Liability Company, its successors and assigns, including, but not limited to, any Builder.
8. "Indenture" shall mean and refer to this Indenture of Trust and Restrictions for The Villas at Pine View, Madison, Illinois, as from time to time amended.
9. "Living Unit" shall mean and refer to any structure constructed upon a Lot in the Subdivision designed and intended for independent residential use.
10. "Lot" shall mean and refer to any plot of land, with the exception of Common Ground, shown on the recorded subdivision plat(s) of the Property.
11. "Member" shall mean and refer to a member in the Association.
12. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers but excluding those having such interests as security for the performance of an obligation and excluding Grantor.
13. "Person" shall mean natural person, a corporation, a partnership, a trustee, or any other legal entity.
14. "Property" shall mean and refer to the real property described on Exhibit A attached hereto and incorporated herein by reference.
15. "Record," "Recording," or "Recorded" shall mean the filing of a legal instrument with the Recorder of Deeds for Madison County, Illinois, or such other place as may be designated as the official location for recording deeds, plats, and similar documents affecting title to real estate.
16. "Rules and Regulations" shall mean the Board-adopted Rules and Regulations which establish administrative procedures for internal governance of the Association and operating procedures for use of the Common Ground.

ARTICLE II

DURATION OF TRUST

The trust created under this Indenture shall continue until such time as the plat(s) of the Subdivision may be vacated by the City of Highland, or its successors, after which period of time fee simple title to the Common Ground shall vest in the then record Owners of all Lots constituting a part of the Property, as tenants in common; provided, however, that all of the rights, powers and authority conferred upon the Association shall continue to be possessed by said Association. The rights of said tenants in common shall only be appurtenant to and in

conjunction with their ownership of Lots in the Subdivision, and any conveyance or change of ownership of any Lot shall carry with it ownership in Common Ground so that none of the Owners of Lots and none of the owners of the Common Ground shall have such rights of ownership as to permit them to convey their interest in the Common Ground except as is incident to the ownership of a Lot, and any sale of any Lot shall, without specifically mentioning it, carry with it all the incidents of ownership of the Common Ground.

ARTICLE III

RESERVATION OF EXPENDITURES

Grantor reserves the right to receive and retain any money consideration which may be refunded or allowed on account of any sums previously expended or subsequently provided for sewers, gas pipes, water pipes, conduits, poles, wires, street lights, roads, streets, recording fees, subdivision fees, consultation fees or other fees, charges and expenses incurred with respect to the Property.

ARTICLE IV

THE ASSOCIATION AND ITS MEMBERS

1. Function of Association. The Association is responsible for management, maintenance, operation and control of the Common Ground and for enforcement of this Indenture.

2. Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Article IV, Section 3 of this Indenture, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

3. Voting. The Association shall have two classes of membership, i.e., Class "A" and Class "B."

(a) Class "A." Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Lot in which they hold the interest required for membership under Article IV, Section 2 of this Indenture, except that there shall be only one vote per Lot. No vote shall be exercised for any property which is exempt from assessment under Article XII, Section 8 of this Indenture.

(b) Class "B." The Class "B" Member shall be the Grantor. The Class "B" Member shall be entitled to three (3) votes for each Lot owned.

The Class "B" membership shall terminate upon the earlier of:

- (i) when the total number of votes held by the Class "A" Members equal the total number of votes held by the Class "B" Member; or
- (ii) ten (10) years after the date of the first occupancy of a Lot by an Owner; or
- (iii) when Grantor, in Grantor's sole discretion, so determines and declares in an instrument recorded in the Madison County Records.

Upon termination of the Class "B" membership, Grantor shall be a Class "A" Member entitled to Class "A" votes for each Lot which it owns.

ARTICLE V

DESIGNATION AND SELECTION OF DIRECTORS AND MEETINGS OF MEMBERS

1. Original Directors. The Board of Directors of the Association shall initially consist of three (3) Members. The original Directors shall be _____, _____ and _____, who, by their signatures hereto, consent to serve in such capacity until their successors are elected or appointed as hereinafter provided. Should an original Director or a successor Director appointed by Grantor resign other than as required by Section 2 of this Article V, refuse to act, become disabled or die, Grantor shall have the power to appoint, by duly written, recorded instrument, a successor Director who shall serve until his successor is elected by the Members in the manner hereinafter provided.

2. Election of Directors. At such time as occupancy permits have been issued for the Living Units on and fifty percent (50%) of the Lots authorized to be developed in the Subdivision, or at such earlier time as Grantor may determine, Grantor shall cause the resignation of one (1) of the original Directors, and a successor Director shall be elected by the then Class "A" Members. At such time as occupancy permits have been issued for the Living Units on and ninety-five percent (95%) of the Lots authorized to be developed in the Subdivision, or at such earlier time as Grantor may determine, Grantor shall cause the resignation of a second original Director, a successor Director shall be elected by the then Class "A" Members. The two (2) Directors elected by the Class "A" Members pursuant to the foregoing provisions shall serve until such time as occupancy permits have been issued for the Living Units on all Lots authorized to be developed in the Subdivision, or until such earlier time as Grantor may determine, when the term of such elected Directors shall expire and Grantor shall cause the resignation of the third original Director then serving hereunder, and the then Class "A" Members shall elect three (3) successor Directors, one (1) of which shall be elected to serve for one (1) year, one (1) of which shall be elected to serve for two (2) years, and one (1) of which shall be elected to serve for three (3) years from the date of election (the first annual meeting of

the Members to be held under Section 5 of this Article shall be held within one year from the date of such election). Thereafter, all Directors elected by Class "A" Members shall be elected for terms of three (3) years each.

3. Manner of Conducting Elections. (a) The elections for the first two (2) successor Directors under Article IV, Section 2 of this Indenture shall be by mail. Notice of call for nominations shall be sent to all Class "A" Members, and shall require all nominations be received within thirty (30) days thereafter. Upon receipt, all nominations shall be compiled on an election ballot and mailed to all Class "A" Members, who shall have thirty (30) days to cast their votes and return their ballots to Grantor. The person receiving the most votes shall be elected the successor Director; provided, however, if the person elected declines to serve, the person receiving the next highest number of votes whom is willing to serve shall be declared the Director. In the event of a tie, a runoff election shall be conducted by mail in the aforesaid manner. For purposes hereof, nominations and/or ballots shall be timely received if postmarked by the United States Postal Authority no later than midnight on such thirtieth (30th) day.

(b) Except as provided in Article V, Section 3(a) of this Indenture, all elections by Class "A" Members shall be held at the annual meetings to be held pursuant to Section 5 of this Article, and shall be preceded by notice signed by the Directors then in office, or should there be no Directors, then by three (3) such Members, sent by mail to or personally served upon all Class "A" Members at least ten (10) days before the date fixed for the meeting to be held for the purpose of electing Directors. The notice shall specify the time and place of meeting, which shall be in the County. At such meeting or at any adjournment thereof, the majority of the Class "A" Members attending such meeting, in person or by proxy, shall have the power to elect such Directors, who shall thereupon serve until their successors have been duly appointed or elected and qualified. At such meeting, each Class "A" Member, whether attending in person or by proxy, shall be entitled to one (1) vote, which, when the Member constitutes more than one person or entity, shall be cast as they among them shall determine; in no event shall more than one (1) vote be cast with respect to any Lot. The result of any election of Directors shall be certified by the persons elected as chairman and secretary at such meeting, and their certification shall be acknowledged and recorded.

4. Qualification of Directors. (a) Any Director elected by Class "A" Members under the provisions of this Article shall be an Owner in the Subdivision, and if such Owner sells his or her Lot or resigns, refuses to act, becomes disabled or dies, the remaining Directors shall appoint an Owner to act as the successor for the unexpired term. Where the provisions of this instrument cannot be fulfilled by reason of unfilled vacancies among the Directors, the City of Highland or its successor may, upon petition of any concerned resident or Owner in the Subdivision, appoint one or more Directors to fill the vacancies until such time as Directors are elected or selected in the manner provided in this Indenture. Any person so appointed who is not an Owner within the Subdivision shall be allowed a reasonable fee for his/her services by the order of appointment, which fee shall be levied as a special assessment against the Lots and which fee shall not be subject to any limitations on special assessments contained in this Indenture or elsewhere.

(b) Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each eligible person who has a bona-fide interest in serving as a director may file as a candidate for any position to be filled by the Class “A” Members. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient and cost-effective manner. Nominations also may be permitted from the floor.

Except with respect to directors selected by the Class “B” Member, nominations for election to the Board may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairperson, who shall be a member of the Board, and three or more Members or representatives of Members. Members of the Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to each annual meeting to serve a term of one (1) year and until their successors are appointed, which such appointment shall be announced in the notice of each election.

The Nominating Committee may make as many nominations for election to the Board as it shall, in its discretion, determine.

Each candidate shall be given a reasonable, uniform opportunity to communicate his or her qualifications to the Members and to solicit votes.

5. Election Procedures. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

6. Removal of Directors.

(a) Any Director elected by the Class “A” Members may be removed, with or without cause, by the vote of a majority of the votes entitled to be cast for the election of such Director. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall be elected by the Class “A” Members to fill the vacancy for the remainder of the term of such Director.

(b) Any Director elected by the Class “A” Members who has three (3) consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent (or is the representative of a Member who is so delinquent) in the payment of any assessment or other charge due the Association, may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.

(c) In the event of the death, disability, or resignation of a Director elected by the Class “A” Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class “A” Members may elect a successor for the remainder of the term.

(d) The Class “B” Member shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a Director appointed by or elected as a representative of the Class “B” Member.

7. Annual Meetings. The first meeting of the Members of the Association shall be held within one year after the date of the election referenced in Section 2 of this Article V. Subsequent regular annual meetings shall be set by the Board so as to occur during the same quarter of the Association’s fiscal year as that in which the first such election occurred on a date and at a time set by the Board.

8. Special Meetings. Special meetings of the Members may be called by the President, and shall be called by the President or Secretary if so directed by resolution of the Board or upon written request by twenty percent (20%) of the total Class “A” Members of the Association.

9. Notice of Meetings. (a) Written or printed notice stating the time and place of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting. In addition, in the case of a special meeting, the notice shall state the purpose or purposes for which the meeting is called; no business shall be transacted at a special meeting except as stated in the notice.

(b) If mailed, notice shall be deemed delivered when deposited with the United States Postal Service, postage prepaid, addressed to the Member at his or her address as it appears on the Association’s records.

(c) Any Member may waive, in writing, notice of any meeting of the Members, either before or after such meeting, and waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Attendance at a meeting by a Member shall be deemed a waiver of notice unless such Member attends for the limited and specific purpose of objecting to lack of proper notice.

10. Quorum. (a) The presence of Members representing a majority of the total Class “A” votes in the Association shall constitute a quorum at all Association meetings.

(b) If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. Notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

(c) Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough

Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

11. Voting and Proxies. (a) The voting rights of the Members shall be as set forth in this Indenture. When a quorum is present at any duly called meeting, a majority of the votes cast shall decide any question brought before the meeting, unless the question is one which, by express provision of the Illinois Nonprofit Corporation Act (the “Act”) or this Indenture, requires a different vote, in which case such express provision shall govern and control the decision of such question.

(b) Members may vote in person or by proxy. On any matter as to which a Member is entitled personally to cast the vote for his or her Unit, such vote may be cast in person or by proxy, subject to the limitations of the Act relating to the use of general proxies and subject to any specific provision to the contrary in this Indenture.

(c) Every proxy shall be in writing specifying the Lot for which it is given, signed by the Member or his or her duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

(d) Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Lot for which it was given; (b) receipt by the Secretary of a written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person; or (c) eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

12. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by the Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association. Such consents shall be filed with the minutes of the Association, and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice summarizing the material features of the authorized action to all Members entitled to vote who did not give their written consent.

ARTICLE VI

ASSOCIATION'S DUTIES AND POWERS

The Association, acting by and through the Directors, shall have the rights, powers, duties and authorities described throughout this Indenture, and, without limiting the generality of any thereof, the following rights, powers, duties and authorities:

1. Acquisition, Disposition, Etc. of Common Ground. To acquire, receive, hold, convey, dispose of and administer the Common Ground in trust and in accordance with and pursuant to the provisions of this Indenture, and to otherwise deal with the Common Ground as hereinafter set forth. Without limiting the generality of the foregoing, during the period in which Grantor retains the right under Article XIII, Section 4 of this Indenture to amend this Indenture, upon request of Grantor, the Directors shall cooperate with Grantor in its development of the Subdivision, and to facilitate such development, shall have the right, in their discretion, to adjust and reconfigure the Common Ground; to convey and exchange portions of the Common Ground to Grantor and the from time to time Owners of adjoining Lots; and to grant Grantor and the from time to time Owners of adjoining Lots easements over the Common Ground for appurtenances (including, but not limited to, patios, decks, driveways, sidewalks and retaining walls) to their Living Units. The provisions of this Article VI, Section 1, shall not be amended, modified or deleted without the prior written consent of Grantor.

2. Control of Common Ground. To exercise such control over the easements, streets and roads, sidewalks (except for those easements, streets and roads and sidewalks which are now or may hereafter be dedicated to public bodies or agencies), entrances and entrance markers, retaining walls, lights, gates, park areas, lakes, medians, shrubbery, storm water sewers, sanitary sewer trunks and lateral lines, pipes, and disposal and treatment facilities constituting Common Ground as may be shown on the record plat(s) of the Subdivision, as is necessary to maintain, repair, rebuild, supervise and assure the proper use thereof, including the right (to themselves and others to whom they may grant permission) to construct, operate and maintain on, under and over said easements, streets, sidewalks, sewers, pipes, poles, wires and other facilities and public utilities for services to the Lots, and the right to establish traffic rules and regulations for the usage of driveways, streets and parking lots in the Property.

3. Maintenance of Common Ground. To exercise control over the Common Ground and easements for, except as provided in Article VI, Section 2 of this Indenture, the exclusive use and benefit of residents of the Subdivision, and to pay real estate taxes and assessments on said Common Ground out of the general assessment hereinafter authorized; to maintain and improve the Common Ground with shrubbery, vegetation, decorations, buildings, recreational facilities of any kind or description, other structures, and any and all other types of facilities in the interest of health, welfare, safety, morals, recreation, entertainment, education, and general use of the Owners and residents in the Subdivision, all in conformity with applicable laws; and to prescribe by reasonable rules and regulations the terms and conditions of the use of Common Ground, all for the benefit and use of the Owners and residents in the Subdivision and according to the discretion of the Directors.

4. Maintenance of Lots and Landscaping. (a) To maintain the Lots of all Living Units in the Subdivision. The maintenance, repair, replacement and improvement authorized herein shall include the maintenance and preservation of the Lots and the landscaping and gardening of the Living Units, but shall not relieve any Owner from his personal responsibility to maintain and preserve the interior surfaces of his Living Unit. No Owner shall make any improvements to or otherwise alter the Lots or the portions of the Living Units which are to be maintained by the Association;

(b) In performing its duties under subpart (a) of this Section 4, the Association may, as the Directors, in their sole discretion, deem necessary:

(i) Furnish grass cutting and ground, tree, shrub, and landscaping maintenance (including replacement when necessary) for the Lots;

(ii) Include in the annual assessments to be levied against the Lots under Section 3 of Article XII of this Indenture a sum to be held in a repair and replacement or other such reserve account for payment of the cost of any major maintenance and repairs required on the Lots so that such maintenance and repairs can be undertaken without special assessment; provided, however, in the event that the need for any maintenance or repair is caused by the wilful or negligent act of any Owner or his family, guests or invitees, the cost thereof shall be added to and become a part of the assessment upon such Owner's Lot.

5. Maintenance of Entrance Monument Easement. There are or may hereafter be created and established on the record plat(s) of the Subdivision entrance monument easements, and without limiting the generality of Article VI, Section 3 of this Indenture, the Association shall have the power, authority and responsibility to maintain, improve and repair any entrance monuments installed within such easements as part of the Common Ground, and shall include the cost thereof in the annual assessment levied pursuant to Article XII, Section 3 of this Indenture.

6. Maintenance of Detention Easements. There are or may hereafter be created and established on the record plat(s) of the Subdivision detention easements, and without limiting the generality of Article VI, Section 3 of this Indenture, unless and until accepted for public use and maintenance, the Association shall have the power, authority and responsibility to maintain, improve and repair such easements and detention basins as part of the Common Ground, and shall include the cost thereof in the annual assessment levied pursuant to Article XII, Section 3 of this Indenture.

7. Dedication. To dedicate to public use any private streets constructed or to be constructed in the Property whenever such dedication would be accepted by a public agency.

8. Easements. To grant easements for public streets, sewers, utilities and cable television on and over the Common Ground. The Association shall also have authority, in the

Directors' discretion, to grant Grantor and the Owners easements to install and maintain electronic fences, patios, decks, driveways, sidewalks, and similar such improvements on the Common Ground. Notwithstanding anything contained in this Indenture to the contrary, if required in connection with Grantor's or its successors' or assigns' development of property adjacent to the Property, the Association shall grant Grantor, _____, _____, _____ and other public utilities, cable and fiber optics companies and their respective successors and assigns, the perpetual right and easement to enter the Common Ground at any time and from time to time to erect, install, maintain, repair, rebuild and operate water, sewer, gas, telephone, power, cable television and fiber optics pipes, lines, poles and conduits including the right to clear the right-of-way for such pipes, lines, poles and conduits, and to keep it clear of brush and trees. The provisions of this Article VI, Section 8, shall not be amended, modified or deleted without the prior written consent of Grantor.

9. Enforcement. To prevent any infringement and to compel the performance of any restriction set out in this Indenture or established by law, and also any rules and regulations issued by said Directors governing the use of the Common Ground or any matters relating thereto. The power and authority herein granted to the Association is intended to be discretionary and not mandatory, and shall not restrict the right of any Owner to proceed in his own behalf. Without limiting the generality of the foregoing, the Board may impose sanctions for violation of this Indenture including, without limitation, the following:

- (i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Lot;
- (ii) suspending an Owner's right to vote;
- (iii) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association;
- (iv) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;
- (v) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Lot or Living Unit in violation of this Indenture and to restore the Lot or Living Unit to its previous condition, and upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the Lot or Living Unit to substantially the same condition as previously existed and any such action shall not be deemed a trespass; and
- (vi) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article VII from continuing or performing any further activities in the Property.

In addition, the Board may take the following enforcement procedures to ensure compliance with this Indenture:

- (i) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); or
- (ii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

All remedies set forth in this Indenture shall be cumulative of any remedies available at law or in equity. In any action to enforce this Indenture, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The decision to pursue enforcement in any particular case shall be left to the Board's discretion. A decision not to enforce shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may permit the City or County to enforce ordinances within the Property for the benefit of the Association and its Members.

10. Vacant and Neglected Lots. To clean up rubbish and debris and remove grass and weeds from and to trim, cut back, remove, replace and maintain trees, shrubbery and flowers upon any vacant or neglected Lots or parcels of land in the Property, and to charge the Owners thereof with the expenses so incurred. In exercising their authority under this Section 10, neither the Association nor the Directors or their respective agents or employees shall be deemed guilty or liable for trespass or for any damage or injury occasioned by or in the course of any such abatement, removal or planting.

11. Plans and Specifications. As more specifically provided in Article VIII hereof, to consider, approve or reject any and all plans and specifications for any and all buildings or structures and additions or exterior renovations thereto, fences, satellite dishes, playground equipment and other improvements proposed for construction, erection or installation on any Lot. In acting hereunder, the Directors shall consider and apply the limitations and parameters established in this Indenture and shall otherwise use their discretion in determining what is best for the Subdivision as a whole, and in no event shall a decision to allow or disallow any item constitute precedent for any future request or a reversal of any past request.

12. Deposits. To require a reasonable deposit in connection with the erection of any building or other structure or improvement approved in accordance with the provisions of this Indenture to assure that, upon completion of the project, all debris is removed from the site and adjacent Lots and parcels and all damage to subdivision improvements is repaired.

13. Insurance. To purchase and maintain in force insurance as provided in Article XI of this Indenture.

14. Employment. In exercising the rights, powers and privileges granted and in discharging the duties imposed upon the Association by the provisions of this Indenture, from time to time to enter into contracts, employ agents, servants and labor as they may deem necessary or advisable, and to defend suits brought against the Association or the Directors, individually or collectively, in their capacity as directors of the Association.

15. Condemnation. In the event it shall become necessary for any public agency to acquire all or any part of the Common Ground for a public purpose, the Directors are hereby authorized to negotiate with such public agency for such acquisition and to execute instruments necessary to that purpose. Should acquisition by eminent domain become necessary, only the Association need be made a party, and any proceeds received shall be held by the Association for the benefit of those entitled to the use of said Common Ground.

16. Variances. To grant variances from the provisions of this Indenture where, in the sole discretion of the Directors, due cause therefor is demonstrated by an Owner.

17. Adjoining Tracts. To cooperate and contract with trustees of adjoining or nearby tracts in the development and maintenance of facilities inuring to the benefit and general welfare of the inhabitants of the entire area.

ARTICLE VII

EASEMENTS

1. Association's Easements. (a) Without limiting the generality of any other provision of this Indenture, the Property shall be subject to a perpetual easement in gross in favor of the Association for ingress and egress to perform its obligations and duties as required by this Indenture. Should it be necessary to enter any Lot to effect a repair or to perform any maintenance or other duty of the Association under this Indenture, the employees, agents, contractors and subcontractors engaged by the Association shall have authority to do so upon presentation to the Owner of a work order or other directive from the Association.

(b) The Association is also hereby granted perpetual easements to maintain any portions of the Common Ground which encroach upon the Lots.

(c) All easements and rights herein established for the benefit of the Association shall run with title to the Property and be binding on the from time to time Owners, purchasers, mortgagees and all other persons having an interest in any Lot or Living Unit, whether or not such easements are mentioned or described in any deed of conveyance.

2. Owners' Easements. Perpetual easements are hereby established appurtenant to all Lots for use by the Owners thereof, their families and guests, invitees and servants, of the Common Ground. Each Owner is further granted a perpetual easement, running with the ownership of his Lot, to use and occupy the balcony, terrace, patio, deck, sidewalks, driveways and garage, if any, which are part of the Living Unit and the retaining wall(s), if any, on such Lot, should there be any encroachment on the Common Ground or any other Lot and to landscape such of the Common Ground adjacent to his Lot as the Board may approve under other Sections of this Indenture; provided, however, that no Owner shall perform any landscaping in the Subdivision until plans therefor have been approved in writing by the Board pursuant to Article VI of this Indenture. All easements and rights herein established shall run with the land and inure to the benefit of and be binding on Grantor and any Owner, purchaser, mortgagee or other person having an interest in any portion of the Property, whether or not such easements are mentioned or described in any deed of conveyance.

3. Use of Common Ground by Non-Residents. The Common Ground including, but not limited to, open spaces and recreational areas, shall be for the benefit, use and enjoyment of the Owners and residents, present and future, of the Subdivision. The Common Ground may also be used by residents outside the Subdivision, subject to the following terms and limitations:

(i) No resident of the Subdivision shall be denied the use of the Common Ground for any reason related to the extension of such privilege to non-residents;

(ii) All rules and regulations promulgated pursuant to this Indenture with respect to the residents of the Subdivision shall be applied equally to the residents;

(iii) All rules and regulations promulgated pursuant to this Indenture with respect to non-residents of the Subdivision shall be applied equally to the non-residents; and

(iv) At any time after the recording of this Indenture, a majority of the Owners, by election duly called, may elect to allow or disallow usage of the Common Ground by non-residents.

ARTICLE VIII

ARCHITECTURAL AND ENVIRONMENTAL CONTROL

From and after such time as a Lot becomes subject to assessment under Article XII of this Indenture, no building, structure or improvement shall be commenced, erected or maintained on such Lot; no exterior addition, change or alteration (structural or nonstructural) to or removal of all or any part of any improvement on such Lot shall be made; no landscaping shall be planted on such Lot; and no item, apparatus or device shall be attached to nor shall the color or other exterior appearance of any structure upon any such Lot be changed until the plans and specifications showing the degree, nature, kind, shape, size, square footage, height, elevation, materials, colors, location and configuration of the same shall have been submitted to and

approved in writing by the Directors. In the event the Directors fail to approve or disapprove any design, materials, colors or location within sixty (60) days after all required plans and specifications have been submitted (and fees, if required, have been paid), approval will not be required and this provision will be deemed fully complied with. The Directors are authorized to charge a review fee for any submission to defray the costs of reviews they conduct or authorize.

ARTICLE IX
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ARTICLE X

INSURANCE

1. Purchase of Insurance.

(a) The Board shall provide a policy of insurance, covering loss or damage by fire and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the common areas and facilities, if any.

(b)The Board shall also purchase a comprehensive public liability policy in the amount of \$1,00,000.00, or such other amount as may be determined by the board to cover the Association, the Board, the Officers, the management agent and all other agents or employees of the project for liabilities arising in connection with the ownership, use, existence, or management of the property.

ARTICLE XI

ASSESSMENTS

1. General. Each Lot Owner within the Subdivision, hereby covenants, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay annual and special assessments, if any, from time to time fixed, levied and assessed in accordance with the provisions of this Indenture. The annual and special assessments levied hereunder together with interest thereon and costs of collection thereof shall be a charge on and continuing lien upon the Lot against which assessed. Each such assessment, together with interest thereon and cost of collection thereof, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due.

2. Purpose. The assessments levied under this Article shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Subdivision, and in particular, for the rendering of services in the furtherance of such purposes including, but not limited to, the carrying out of all functions herein authorized, the acquisition, improvement, maintenance and operation of the Common Ground and all facilities thereon and easement established herein or on the plat(s) of the Subdivision, the payment of taxes on the Common Ground, and for the maintenance of the Lots as provided in this Indenture.

3. Annual Assessments. (a) By December 1st of each year, or as soon thereafter as reasonably practicable, the Directors shall estimate the total amount necessary to pay wages and for materials, insurance, water, sewer charges, services and supplies which it anticipates will be required in the performance of their duties under this Indenture during the ensuing calendar year together with an amount which they consider necessary as a reasonable reserve for any future needs and contingencies. On or about December 15 of each year, or as soon thereafter as reasonably practicable, the Directors shall notify the Owner of each Lot in writing as to the amount of such estimate, which shall then be uniformly assessed against the Owners of all Lots. On the first day of each month thereafter, each Owner shall be obligated to pay the Association one-twelfth (1/12th) of the assessment made hereunder. The entire annual assessment levied hereunder shall be deemed delinquent if any monthly installment is not received by the Association on or before the fifth day of the month in which due.

(b) In the event the Directors shall at any time during the year determine that their estimate under Paragraph (a) of this Section 3 is insufficient to meet current operating expenses, the Directors may revise the Association's budget for the balance of the calendar year to such an amount as is actually necessary to pay such maintenance expenses and to fund a reserve, and within fifteen (15) days thereafter, shall notify the Owner of each Lot in writing as to the amount of the revised budget, which shall be uniformly assessed against the Owners of each Lot. On the first day of each month thereafter, each Owner shall be obligated to pay the Association an amount equal to a fraction of the revised assessment made under this clause (b), the numerator of which shall be one (1) and the denominator of which shall be the number of months remaining in the then current year.

(c) Notice of each levy under this Article XII, Section 3, shall be given by first class mail addressed to the last known or usual post office address of each Owner and deposited with the United States Postal Service, postage prepaid, or by posting of a notice of the assessment upon the Lot against which it applies.

4. Special Assessments. If other than as provided in Section 3(b) of this Article XII, the Directors at any time consider it necessary to make any expenditure requiring an assessment additional to the annual assessment, they shall submit a written outline of the contemplated project and the amount of the assessment required to the then Lot Owners. If such assessment is approved either by a majority of the votes cast in person and by proxy at a meeting of the Owners called by the Directors, or on written consent of a majority of the total votes entitled to vote thereon, the Directors shall notify all Owners of the additional assessment; PROVIDED, HOWEVER, that in determining such required majority, only those Owners who have paid all assessments theretofore made shall be entitled to vote. The limit of the annual assessments for general purposes set forth in Section 3 hereof shall not apply to any assessment made under the provisions of this Section 5. Notice of any special assessment hereunder shall be given in the same manner as notices of annual assessments are given, with such assessment becoming delinquent thirty (30) days after the date of such notice.

5. Prorations. Should a Lot become subject to assessments after January 1 in any year, and should an annual or special assessment have been levied for that year, then such assessment shall be adjusted so that such Lot shall be charged with a portion of the assessment prorated for the balance of that year.

6. Interest and Liens. All assessments shall bear interest at the rate of one percent (1%) over the from time-to-time publicly announced floating prime rate of interest charged by Bank of America, N.A., from the date of delinquency, and such assessment, together with interest and costs of collection, shall constitute a lien upon the Lot against which assessed until fully paid. As an assessment becomes delinquent, the Directors may execute and acknowledge and record an instrument in the County Records reciting the levy, and thereafter institute any appropriate legal action to enforce such lien. Should an Owner pay an assessment after notice is recorded, the Directors shall execute and record (at the expense of the Owner) a release of such lien.

The lien of the assessments provided for herein shall be subordinate to the lien of any institutional (bank, savings and loan association, pension or retirement fund, insurance company or federally insured mortgage) first mortgage now or hereafter placed upon any Lot with respect to which assessments have become due and payable prior to a sale or transfer of such Lot pursuant to foreclosure or transfer in lieu of foreclosure. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. As used herein, the term “mortgage” or “mortgages” shall include deed or deeds of trust.

7. Exemptions. The following properties shall be exempt from the assessments, charges and liens created herein:

- (i) All Common Ground;
- (ii) All properties exempted from taxation under the laws of the State of Illinois; and
- (iii) All Lots owned by Grantor and Lot Owners until occupied for residential purposes.
- (iv) Partial assessments, as determined by the Directors, will be charged to the Grantor and Lot Owners who have not occupied the Living Unit to cover maintenance of the vacant lots, common ground, lake and front entrance.

8. Capitalization. Upon acquisition of record title to a Lot by the first Owner thereof other than Grantor or a Builder, a contribution shall be made by or on behalf of such Owner to the working capital of the Subdivision in an amount of:

One Hundred Fifty and 00/100 Dollars (\$150.00)

This amount shall be in addition to, not in lieu of, the annual Assessment and shall not be considered an advance payment of such Assessment.

9. Change of Ownership. Upon the conveyance of any Lot in the Subdivision other than a conveyance by Grantor, the conveying Owner or grantee of such Lot shall give the Association written notice of such conveyance and pay the Association a One Hundred and 00/100 Dollar (\$100.00) transfer and administrative fee to cover the Association's expenses resulting from such change in ownership. Until paid, the transfer fee due hereunder shall constitute a lien on the transferred Lot, and shall bear interest and be subject to collection as provided in Section 7 of this Article XII.

10. Keeping of Funds. The Association shall deposit its funds in a bank protected by the Federal Deposit Insurance Corporation, the treasurer being bonded for the proper performance of his duties in an amount fixed by the Directors.

11. Ordinance Compliance. Notwithstanding any other conditions herein, the Association shall make suitable provisions for compliance with all subdivision and other ordinances, rules and regulations of the City including, but not limited to, maintenance and operation of street lights, easements and roadways (except for those easements and roadways as are dedicated to public bodies or agencies), and for such purposes shall not be limited to the maximum assessment provided for herein.

ARTICLE XII

RESTRICTIONS

In addition to the limitations and restrictions imposed by other provisions of this Indenture, the following restrictions are imposed upon and against the Property and each Lot now or hereafter existing therein:

1. Building Use. No building or structure shall, without the approval of the Board, be used for a purpose other than that for which the building or structure was originally designed.

2. Building Location. No building or structure shall be located on any Lot nearer to the street(s) upon which such Lot fronts or by which such lot is bordered or the side or rear lot lines than the front building line or side or rear set-back lines shown on the plat(s) of the Subdivision.

3. Resubdivision. No Lot shall be resubdivided nor shall a fractional part of any Lot be sold without the consent of the Board. In the event either of the foregoing is approved, then the assessment attributable to the Lot so subdivided shall be pro-rated between the resulting Lots.

4. Commercial Use. Except for the promotional activities conducted by Grantor in connection with the development of the Subdivision and the marketing and sale of residences therein and the conduct of a home occupation in strict accordance with the provisions of the applicable zoning ordinances, no commercial activities of any kind shall be conducted on any Lot, and the Property shall be used only for residential, recreational and related purposes consistent with this Indenture.

5. Nuisances. No noxious or offensive activity or activity which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Lots shall be carried on or any Lot or other portion of the Subdivision, nor shall anything be done thereon that may be or become a nuisance or annoyance to the neighborhood. Without limiting the generality of the foregoing,

(i) no motorized vehicles including, but not limited to, cars, go-carts, trailers, recreational vehicles (RVs), tractors, truck-tractors, campers, or house trailers shall be operated, driven, ridden, parked, stored or otherwise placed on, in or about the Lot or Common Ground.

(ii) no exterior lighting shall be directed outside the boundaries of a Lot or other parcel;

(iii) no trash, leaves, debris or other materials shall be burned on any Lot or within the Common Ground;

(iv) except alarm devices used exclusively for security purposes, no radio, loudspeaker, horn, whistle, bell, or other sound device shall be used or discharged at a volume audible to occupants of other Lots;

(v) no firecrackers or other fireworks shall be used or discharged in the Subdivision;

(vi) no grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances shall be dumped in any drainage ditch, stream, pond, lake, or elsewhere within the Property;

(vii) no wildlife shall be captured, trapped or killed within the Subdivision; and

(viii) no activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Property or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution shall be conducted in the Subdivision.

6. Maintenance. (a) Each Owner shall maintain and keep those portions of his Lot not maintained by the Association in good order and repair, and shall do nothing which would be in violation of law. Trash, rubbish, toys, tools, cases, crates or any discarded item shall not be

left outside of any Living Unit overnight, and no exterior front yard appurtenances such as sculptures, bird baths or similar personal property items or fixtures shall be placed on any Lot or Living Unit. Further, if any items are left out and interfere with and are required to be moved to permit the Association to perform its maintenance obligations under this Indenture, the Owner shall be charged such sums for such removal as the Directors may from time to time deem reasonable.

(b) In addition to and without limiting the generality of the provisions of Section 6(a) of this Article IV, each Owner shall, at his own cost and expense, maintain, repair and replace the air conditioning and heating equipment, hot water heaters and all other appliances and equipment (including any facility and connections required to provide utility service to serve the Living Unit and no other) serving his Living Unit; paint, decorate and finish interior surfaces of perimeter walls, interior walls, ceilings and floors of his Living Unit, and the surface, concrete floors and interior surfaces of the exterior wall of the balcony and/or patio adjoining or a part of his Living Unit; replace all screens, windows and plate glass installations (including glass doors) forming a portion of the perimeter of his Living Unit; and pay for any utilities which are separately metered to his Living Unit; provided, however, that no Owner shall alter, decorate, repair, replace, change, landscape, paint, stain, or install screens or other enclosures on balconies or patios or any other parts of his Lot or Living Unit without the prior written approval of the Directors.

(c) Each Lot Owner shall be responsible for maintaining exterior building surfaces including paint, siding, and repair, replacement and care of roofs, gutters, and downspouts.

(d) Each Lot Owner shall be responsible for maintaining except for snow removal, their drive-way and sidewalks, including replacement and care of such.

7. Obstructions. There shall be no obstruction of any portion of the Common Ground or any storage or construction or planting thereon by an Owner. No clothes, laundry or other articles or equipment shall be placed, hung, exposed or stored in any portion of the Common Ground or in any portion of the exterior or yard area of any Lot or on or about the exterior of any building.

8. Animals. No animals, reptiles, birds, fowl or livestock of any kind shall be raised, bred or kept in the Subdivision except as otherwise expressly permitted in this Indenture and permitted under applicable law, ordinances, and regulations. Notwithstanding the foregoing, no more than two dogs, cats, or other household pets (except house pets with vicious propensities) may be kept or maintained on any Lot, provided that such pets are not kept for any commercial purpose and provided that such pets are at all times (except when enclosed by an in-ground electric fence) leashed and no "runs" or other outside structures are erected or installed therefor. The keeping of any pet which is or becomes a nuisance (as determined by the Board in its sole judgment) or annoyance to the neighborhood is prohibited.

9. Trucks, Boats, Etc. Except during periods of approved construction on a Lot, no trucks (other than pick-up trucks not exceeding $\frac{3}{4}$ ton) or commercial vehicles, boats,

motorcycles, campers, house trailers, boat trailers or trailers of any other description (excluding Grantor's temporary sales and construction trailers) shall be permitted to be parked or stored on any Lot unless parked or stored in an enclosed garage or in such other enclosure (open or otherwise) approved by the Architectural Control Committee, if there is one, or if not, the Directors. Further, no motor vehicle or equipment shall be repaired or otherwise serviced in front of or adjacent to any residence in the Subdivision, and no abandoned or inoperable vehicles of any kind may be stored or permitted to remain upon any portion of the Property. If any such motor vehicle is so stored or remains on any Lot or the Common Ground, the Board may remove the same at the Owner's expense.

10. Vehicular Sight Lines. No fence, wall, tree, hedge or shrub planting shall be maintained in such manner to obstruct sight lines for vehicular traffic.

11. Out Buildings and Installations. No structure of a temporary character, trailer, tent, shack, garage, metal or wooden shed, barn or other out building shall be installed, constructed or maintained on any Lot or Living Unit at any time. Permanent or temporary basketball or other sports goals or game boards shall not be permitted in the Subdivision.

12. Signs. No signs, advertisements, billboards or advertising structures of any kind may be erected, maintained or displayed on any Lot; provided, however, that nothing herein shall prohibit (i) Owners from placing one "For Sale" or "For Rent" sign (not to exceed 2 feet x 4 feet in dimension) on their Lot, or (ii) "for sale" and "for lease" signs, construction identification signs, builder's signs, directional signs, and other signs erected or displayed by Grantor in connection with the development of the Subdivision and the marketing and sale of residences therein.

13. Window Coverings. All window coverings in the Living Units shall be lined or made of materials or died or painted such that the side to the exterior of the Living Unit is white or other neutral color.

14. Garbage. No trash, garbage, rubbish, refuse, debris, trash cans or trash receptacles of any type shall be accumulated or stored in the open on any Lot; provided, however, after sunrise on any day designated for trash pick-up, trash, garbage, rubbish, refuse and debris secured within appropriate trash cans or receptacles may be placed at the street curbing for pick-up; and provided, further, such cans or receptacles are again stored out of view prior to sundown of the same day.

15. Utility and Drainage Easements. Easements for installation and maintenance of utilities and drainage facilities are established in this Indenture and are or will be reserved as shown on the recorded plat(s) of the Subdivision, and no fence, wall or other structure, planting or other material which may damage or interfere with the installation and maintenance of such utilities or which may change the direction or obstruct or retard the flow of water through such drainage channels shall be placed or permitted to remain in such easements.

16. Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot or portion of the Subdivision, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot or portion of the Subdivision. No derrick or other structure designated for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or portion of the Subdivision.

17. Fences. No fences or screening of any kind shall be erected or maintained on any Lot; provided, however, nothing herein contained shall prevent an Owner, with the prior written consent and in a location specified by the Directors, from installing an underground, electronic fence.

18. Television Antennae. No exterior television or radio antenna, towers, direct broadcast satellite dishes or antennas used to receive multichannel multi-point distribution (wireless cable) signals may be installed in the Subdivision without the prior approval of the Directors; provided, however, in reviewing a request for approval of any such device, the Directors shall comply with all Federal, State and local laws, ordinances and regulations, and shall not impose any restriction which will preclude an Owner's receipt of an acceptable quality signal.

19. Hazardous and/or Unsightly Materials. No above-ground gas, propane or gasoline, oil or other hazardous material storage tanks or devices shall be permitted upon or in any Lot or the Common Ground of the Subdivision.

20. Leasing of Units. "Leasing," for purposes of this paragraph, is defined as regular, exclusive occupancy of a Lot by any person, other than the Owner, for which the Owner receives any consideration or benefit including, but not limited to, a fee, service, gratuity, or emolument. If a Lot is leased, the Owner shall no longer be entitled to use the Common Ground, and such rights shall be deemed to have been transferred to the tenant for the duration of the lease; provided, however, every Owner shall remain primarily responsible for such Owner's obligations under this Indenture including, without limitation, payment of all assessments.

21. Marketing and Sales Activities. Grantor and Builders authorized by Grantor may construct and maintain upon portions of the Common Ground such facilities and activities as, in Grantor's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Lots and Living Units, including, but not limited to, business offices, signs, model Lots, and sales offices. Grantor and authorized Builders shall have easements for access to and use of such facilities at no charge. Further, notwithstanding any provision contained in this Indenture to the contrary, until all Lots authorized to be developed in the Subdivision have been sold and conveyed for residential use, Grantor and the Builders shall have the right and privilege (i) to erect and maintain advertising signs, sales flags and other sales devices and banners for the purpose of aiding the sale of Lots; (ii) to maintain sales, business and construction offices in display homes or trailers in the Subdivision (including without limitation, the Common Ground); and (iii) to park and to allow its subcontractors to park trucks and stock pile and store materials

on any Lot(s) or on the Common Ground. Grantor's and the Builder's construction activities shall not be considered a nuisance.

22. Right to Develop. Grantor and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Ground for the purpose of making, constructing and installing such improvements to the Common Ground as it deems appropriate in its sole discretion. Further, notwithstanding anything contained in this Indenture to the contrary, if required in connection with Grantor's or its successors' or assigns' development of the property or any property adjacent to the Property, the Association shall grant Grantor and such public or quasi-public utilities and authorities as Grantor may direct, and their respective successors and assigns, the perpetual right and easement to enter the Common Ground at any time and from time to time to erect, install, maintain, repair, rebuild and operate water, sewer, gas, telephone, power and cable television pipes, lines, poles and conduits including the right to clear the right-of-way for such pipes, lines, poles and conduits, and to keep it clear of brush and trees.

23. Right to Approve Additional Covenants. No Person shall Record any Indenture of covenants, conditions and restrictions, or Indenture of condominium or similar instrument affecting any portion of the Property without Grantor's review and written consent. Any attempted Recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed and Recorded by Grantor.

24. Right to Transfer or Assign Grantor Rights. Any or all of Grantor's special rights and obligations set forth in this Indenture or the By-Laws may be transferred in whole or in part to other Persons; provided, however, no such transfer shall reduce an obligation nor enlarge a right beyond that which Grantor has under this Indenture or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument Grantor signs and Records. The foregoing sentence shall not preclude Grantor from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Grantor in this Indenture where Grantor does not intend to transfer such right in its entirety, and in such case it shall not be necessary to Record any written assignment unless necessary to evidence Grantor's consent to such exercise.

25. Easement to Inspect and Right to Correct. Grantor reserves for itself and others it may designate the right to inspect, monitor, test, redesign, and correct any non-structure, improvement or condition which may exist on any portion of the Lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise such right. The person exercising this easement shall promptly repair, at such person's own expense, any damage resulting from such exercise. Further, without limiting the generality of the foregoing, Grantor reserves the right to periodically enter upon the Common Ground to inspect the maintenance and upkeep of the Common Ground. Grantor will schedule and coordinate its review of the Common Ground through the president of the Board. During the inspection, Grantor will review and, if appropriate, make recommendations to the Association relating to the repair, maintenance and upkeep of the Common Ground. Grantor may also, if it

so chooses, make repairs or take other corrective action with respect to repair or maintenance items that it identifies during the review.

26 Termination of Rights. Grantors rights under this Article shall not terminate until the earlier of (a) twenty-five (25) years from the date this Indenture is Recorded, or (b) Recording by Grantor of a written statement that all sales activity has ceased.

ARTICLE XIII

GENERAL PROVISIONS

These general provisions shall apply to the foregoing Indenture:

1. Actions by Directors. The Directors are authorized to act through a representative, provided, however, that all acts of the Directors shall be agreed upon by at least a majority of said Directors. No Director shall be held personally responsible for his wrongful acts or for the wrongful acts of others, and no Director shall be held personally liable for injury or damage to persons or property by reason of any act or failure to act of the Directors, collectively or individually. The Directors from time to time serving hereunder, except Directors appointed pursuant to Article IV, Section 4 hereof, shall not be entitled to any compensation or fee for services performed pursuant to this Indenture.

2. Indemnification of Officers, Directors and Others. Subject to the indemnification provisions herein, as the same may be amended, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and Illinois law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association).

The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

3. Amendments. Until all Lots authorized to be developed in the Property have been sold and conveyed for residential use, the provisions of this Indenture may only be amended, modified or changed by Grantor. Thereafter, the provisions hereof may only be amended, modified or changed by the written consent of two-thirds (b) of all Owners. To be effective, any amendment, modification or change to the provisions of this Indenture shall be recorded in the Office of the Recorder of Deeds for Madison County.

4. Severability, Etc. All covenants and agreements herein are expressly declared to be independent and not interdependent. No laches, waiver, estoppel, condemnation or failure of title as to any part of the Property or any Lot in the Property shall be of any effect to modify, invalidate or annul any grant, covenant or agreement herein with respect to the remainder of the Property, saving always the right to amendment, modification or repeal as hereinabove expressly provided.

5. Invalidation. Invalidation of any one of the covenants of this Indenture shall in no way affect any other provision hereof.

6. Term. Except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of this Indenture shall run with and bind the Property for a term which is the longer of: (i) thirty (30) years from the date of recordation of this Indenture, after which said covenants and restrictions shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then Owners of two-thirds (b) of the Lots subject hereto has been recorded agreeing to terminate this Indenture as of the end of any such ten (10) year period, but in no event prior to the vacation of the record plat(s) of the Subdivision by Madison County, or its successors; or (ii) as to any subdivision of the Property, for the duration of the subdivision encumbered hereby unless continued in effect by the vote of two-thirds (b) of the Lots in such subdivision by an appropriate instrument filed of record prior to the vacation of the plat(s) of such subdivision as aforesaid. No such agreement of termination shall be effective unless made and recorded one (1) year in advance of the effective date of such termination, and unless written notice of the proposed agreement of termination is sent to every Owner at least ninety (90) days in advance of any action taken.

THIS INDENTURE CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, Grantor has executed this Indenture this ____ day of _____
2005.

GRANTOR: RETKO GROUP, LLC, an Illinois
Limited Liability Company

By: _____

Printed Name: _____

Title _____

ASSOCIATION: THE VILLAS AT PINE VIEW HOMEOWNERS'
ASSOCIATION, an Illinois nonprofit corporation

BY: _____
_____, ITS _____

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 2005, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of the RETKO GROUP, LLC, a limited liability company of the State of Illinois, and that said instrument was signed in behalf of said limited liability company, and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Notary Public

STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of _____, 2005, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of The Villas at Pine View Homeowners' Association, a nonprofit corporation of the State of Illinois, and that said instrument was signed in behalf of said corporation, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF "RESIDENTIAL PROPERTY"
(as defined in Declaration)

The 17.44 acre tract of land in the City of Highland, County of Madison, State of Illinois, described as:

A part of the northwest quarter of section, 32, T4, R5W, of the 3rd principal meridian, Madison County, Illinois more particularly described as follows:

Commencing at a found iron pipe at the northwest corner of said section 32;

Thence along the west line of said section 32 south 01 degrees 43 minutes 32 seconds east 142.37 feet to a found iron rod at the point of beginning on the south right of way line of Koepfli Lane;

Thence continuing along said west line south 01 degrees 43 minutes 32 seconds east 1243.95 feet to a found iron rod at the northwest corner of a parcel conveyed to the city of Highland by book 3760 page 721 of the Madison County records;

Thence along the North line of said parcel north 89 degrees 16 minutes 16 seconds east 593.30 feet to a found iron rod;

Thence along a line parallel to the west line of said section 32 north 01 degrees 43 minutes 32 seconds west 1286.69 feet to a found iron rod in the south right-of-way line of Keopfli Lane;

Thence along said south line south 89 degrees 14 minutes 02 seconds west 344.14 feet to a found iron rod;

Thence continuing along said south line on a tangent 750.00 foot radius curve to the left the chord of which bears south 79 degrees 33 minutes 49 seconds west 252.12 feet to the point of beginning, containing 17.44 acres more or less.