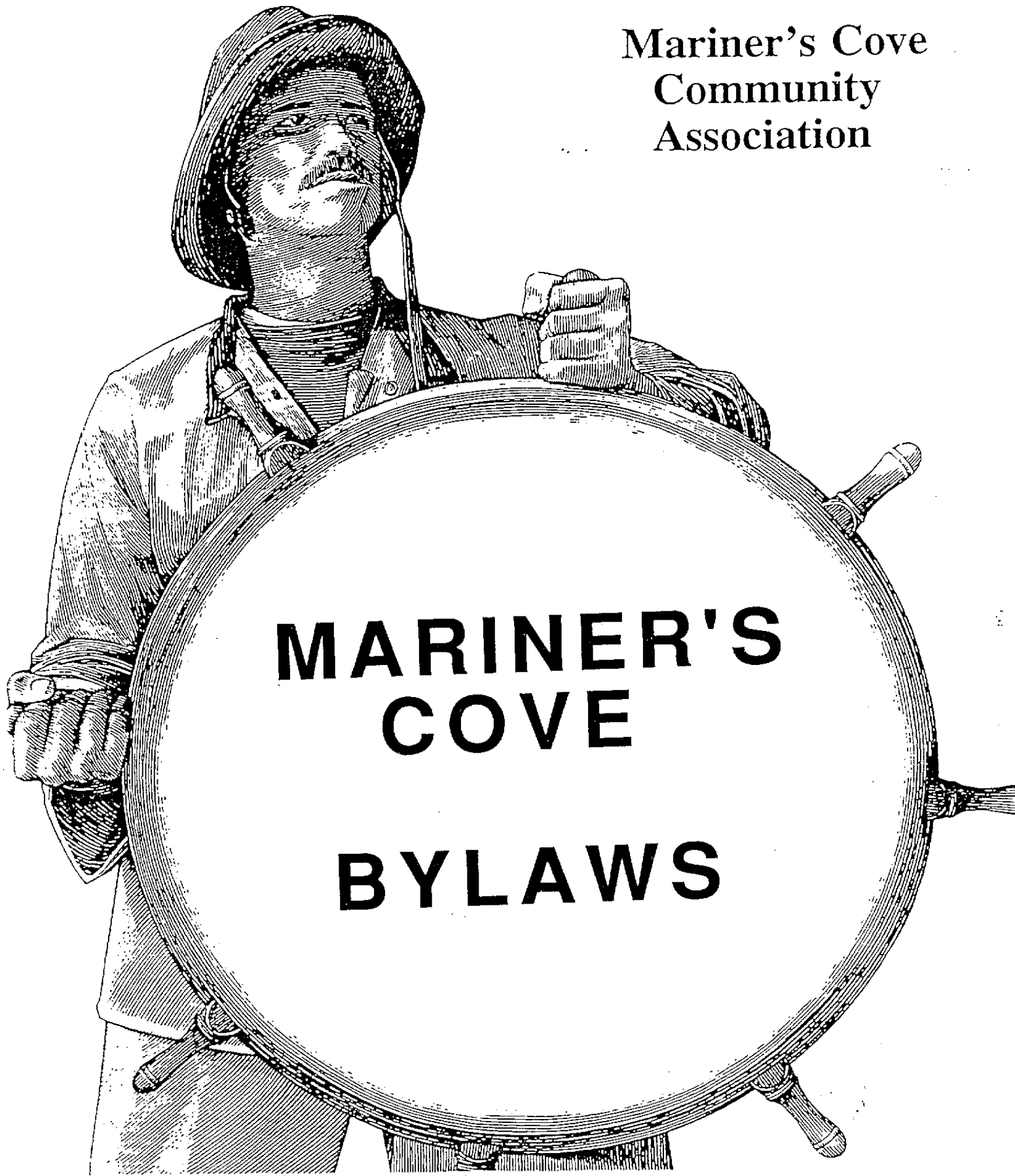


Mariner's Cove
Community
Association



MARINER'S COVE DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS

THIS DECLARATION, made this 21st day of November, 1980, by SEARS BANK AND TRUST COMPANY, not personally but as Trustee under Trust Agreement dated February 1, 1980, and known as Trust No. 701493 (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner in fee simple of a certain parcel of real estate in the County of Lake, State of Illinois, and legally described in Exhibit "A" attached hereto and made a part hereof (said real estate hereinafter referred to as the "Property"); and

WHEREAS, Declarant is desirous of submitting the Property to the provisions of this Declaration;

NOW, THEREFORE, Declarant hereby declares that the Property is, and shall be held, transferred, sold, conveyed and occupied, subject to the covenants, conditions, restrictions, reservations, and easements (sometimes hereinafter collectively referred to as the "Declaration") hereinafter set forth.

ARTICLE I

Declaration Purposes

Section 1. General Purposes. The Declarant is the owner of certain real estate located in Lake County, Illinois, and desires to create thereon a planned single family development for future owners of lots and homes to be created upon the Property.

(a) The Declarant desires to provide upon the Property, through its planning and layout, the harmonious development of a single-family community by the imposition of the covenants and restrictions, as hereinafter set forth, for the benefit of the Property and the Owners thereof.

(b) The Declarant, by the imposition of covenants and restrictions and the reservation of certain powers unto itself, does intend to provide for the Property a plan for development which is intended to enhance and to protect the values of Declarant's planned single-family residential community ("Mariner's Cove").

(c) The Declarant desires to protect the owners of the Lots, as hereinafter defined, against such improper use of surrounding Lots as may depreciate the value of their property; to guard against the erection thereon of buildings built of improper or unsuitable materials; to insure adequate and reasonable development of said Property; to encourage the erection of attractive improvements thereon, with appropriate locations thereof; to prevent haphazard and inharmonious improvement; and, in general, to provide for the highest and best type and quality of improvement for the maintenance of the desired character of the area and to benefit the Owners thereof.

CHICAGO TITLE INSURANCE CO.

This instrument was prepared by Mark D. Yura
Rudnick & Wolfe, 30 North LaSalle Street,
Suite 2900, Chicago, Illinois 60602

Section 2. Declaration. To further the general purposes herein expressed, the Declarant, for itself, its successors and assigns, hereby declares that the Property, and such additions to the Property as hereafter may be made pursuant to the provisions of Article III hereof, whether or not referred to in any deed of conveyance of such properties, at all times is and shall be held, transferred, sold, conveyed and occupied subject to the covenants and restrictions herein set forth. The provisions of this Declaration are intended to create mutual equitable servitudes upon each Lot becoming subject to this Declaration in favor of each and all other such Lots; to create privity of contract and estate between the grantees of such Lots, their heirs, successors and assigns; and to operate as covenants running with the land for the benefit of each and all such Lots becoming subject to this Declaration, and the respective Owners of such Lots, present and future.

ARTICLE II

Definitions

Section 1. The following words and terms, when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Additional Property" shall mean that real estate legally described in Exhibit "B" attached hereto and made a part hereof or which may be added pursuant to Article III, Section 3 hereof.

(b) "Association" shall mean and refer to Mariner's Cove Community Association, an Illinois not-for-profit corporation, its successors and assigns.

(c) "Basement" shall mean a story having a part, but more than one-half, of its floor to clear ceiling height below grade. When a basement is used for storage, or garages for use of occupants of the building, or other facilities common for the operation and maintenance of the entire building, it shall not be counted as a story.

(d) "Board" shall mean and refer to the Board of Directors of the Association as constituted from time to time.

(e) "By-Laws" shall mean the By-Laws of Association, a copy of which is attached hereto as "Exhibit C" and which is made a part hereof.

(f) "Committee" shall mean the Architectural Review Committee.

(g) "Common Area" shall mean all real property owned by or to be owned by the Association for the common use and enjoyment of the Members, as legally described in Exhibit "D" attached hereto and made a part hereof and all real property which Declarant or the Association may agree to maintain in the dedicated streets adjacent to the Property.

(h) "Declarant" shall mean and refer to SEARS BANK AND TRUST COMPANY, as Trustee under Trust No. 701493 pursuant to Trust Agreement dated February 1, 1980, and its successors and assigns, whether such succession or assignment applies to all or any part of the Property.

(i) " Dwelling" shall mean any building located on a Lot and intended for the shelter and housing of a Single Family, as hereinafter defined.

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(k) "Lot" shall mean a platted lot designated as such upon any recorded subdivision map of the Property and upon which one Dwelling is constructed or to be constructed.

(l) "Lot Area" shall mean the area of a horizontal plane bounded by lot lines.

(m) "Lot Line, Front" shall mean the boundary of a Lot abutting a street. On a corner Lot, reference should be made to the recorded plat which indicates the location of the twenty foot (20') and thirty foot (30') setbacks, the latter being deemed the front.

(n) "Lot Line, Rear" shall mean a Lot line which is most distant from and is or is almost parallel to the Front Lot Line.

(o) "Lot Line, Side" shall mean an interior Lot line which is not a Front Lot Line or a Rear Lot Line.

(p) "Member" shall mean and refer to every person or entity who holds membership in the Association.

(q) "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot including contract sellers but, notwithstanding any applicable theory of the Deed to Secure Debt, shall not mean or refer to any holder thereof unless and until such holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(r) "Property" shall mean and refer to Exhibit "A" attached hereto and made a part hereof, and all additions thereto as may be brought within the jurisdiction of this Declaration.

(s) "Single Family" shall mean one or more persons, each related to the other by blood, marriage or adoption, or a group of not more than three persons not all so related, maintaining a common household in a Dwelling.

(t) "Supplemental Declaration" shall mean the documents provided for in Article III hereof.

(u) "Story" shall mean that portion of a Dwelling included between the surface of any floor and the surface of a floor next above, or if there is no floor above, the space between the floor and the ceiling next above.

(v) "Structure" shall mean any building or other improvement erected or constructed, the use of which requires more or less permanent location on or in the ground, or attached to something having a permanent location on or in the ground. A sign or other advertising device, attached or projecting, shall be construed to be a separate structure.

(v) "Village" shall mean the Village of Third Lake.

(w) "Water Line" shall mean that line which is located at 763.6 feet above sea level and is between the lakeside Lot Line and the lakeside building line.

ARTICLE III

Annexation of Additional Property

Section 1. Property. The Property which is and shall be held, occupied, sold and conveyed subject to this Declaration

is located in the Village and is more particularly described in Exhibit "A" attached hereto.

Section 2. Additions to Property. The Declarant, its successors and assigns, hereby reserve to themselves, subject to the terms of Article VII, Section 15, and their successors and assigns, the right to add on and annex to the Property, all or any portion of the remaining area set forth in Exhibit "B". The additions authorized under this, and Article III, Section 3, shall be made by filing for record a Supplemental Declaration of covenants and restrictions with respect to the Additional Property which shall extend the scheme of the covenants and restrictions of this Declaration to such property. The Supplemental Declaration shall contain a legal description indicating that portion of the Property which is to be improved with a Dwelling and that portion which is to become part of the Common Area. Any Supplemental Declaration may contain complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of use of the added property as are not inconsistent with the scheme of this Declaration. In no event shall any such Supplemental Declaration revoke, modify or add to the covenants established by this Declaration with respect to the Property in any manner which would substantially alter the scheme of this Declaration. No portion of the area described in Exhibit "B" shall be subject to any of the provisions of this Declaration unless and until a Supplemental Declaration is recorded annexing such portions to the Property as herein provided. No rights of any character whatsoever of any Owner shall attach to any portions of the area described in Exhibit "B" unless and until a Supplemental Declaration is recorded annexing such portions to the Property as aforesaid.

Section 3. Other Additions. The Declarant reserves the right to bring within the scheme of this Declaration additional lands which are contiguous or adjacent to or within the immediate vicinity of the lands referred to in Article III, Sections 1 and 2, and which are now owned or hereafter may be owned by the Declarant.

ARTICLE IV

Architectural Review Process

Section 1. Objectives. Declarant's objectives are to carry out the general purposes expressed in this Declaration; and to assure that any improvements or changes in the Property will be of good and attractive design.

Section 2. The Committee. To achieve Declarant's objectives, the Declarant shall create the Committee with power to administer this Declaration with regard to approving or disapproving those matters which are expressed herein to be within the jurisdiction of the Committee. The Committee shall consist of not less than three (3) Members. The names and addresses of the persons who from time to time comprise the membership of the Committee shall be furnished by the Declarant until such time as Declarant elects to terminate said right to appoint by notice to the Association. At such time, the function of the Committee shall be transferred to the Association and upon such transfer, the Association shall accept the duties of the Committee. Matters requiring approval of the Committee shall be submitted to its chairman, or as the Committee otherwise designates.

Section 3. Matters Requiring Approval. Prior written approval shall be obtained from the Committee with respect to all matters stated in this Declaration as requiring such approval. No Structure shall be commenced, erected or maintained

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upon the Property, nor shall any construction be permitted until the plans and specifications showing the nature, kind, shape, colors, elevations, heights, location and grade of the Structure or removal of trees have been submitted to and approved in writing by the Committee. Anything to the contrary contained herein notwithstanding, the Dwelling located on Lot 17 shall be exempt from the provisions of this Article IV until the earlier to occur of January 1, 1988 or until such time as title to Lot 17 is conveyed by Declarant to a bona fide purchaser. Furthermore, Declarant or its beneficiaries, as it or they may determine and without regard to the provisions of this Article IV, may locate temporary buildings, trailers, mobile homes or recreational vehicles upon any unsold Lot for sales and/or similar purposes until the earlier to occur of January 1, 1988 or until such time as title to such Lot is conveyed by Declarant to a bona fide purchaser.

Section 4. Procedure. Whenever approval is required of the Committee, two (2) copies of complete plans and specifications shall be submitted to the Committee. The Committee shall either approve or disapprove such design and location and proposed construction and clearing activities within thirty (30) days after submission to it. In the event said plans and specifications are disapproved in any respect, the applicant shall be notified wherein such plans and specifications are deficient. The Committee may withhold approval for any reason deemed by it to be appropriate, including aesthetic reasons, except that approval will not be withheld for capricious or unreasonable reasons. If such plans and specifications are not approved or disapproved within thirty (30) days after submission, approval will not be required and this Article will be deemed fully complied with. At the discretion of the Committee, a reasonable filing fee established by the Committee shall accompany the submissions of such plans to defray expenses, except that so long as the Committee is under Declarant's control such fee shall not exceed Fifteen Dollars (\$15.00). No additional fee shall be required for resubmission of plans revised in accordance with recommendations made upon disapproval. A copy of each approved set of plans and specifications shall be kept on file with the Committee.

Section 5. Minimum Criteria for Architectural Review Approval. No Dwelling shall be permitted to be constructed upon the Property, nor shall the Committee be required to approve any construction which shall fail to comply with the following minimum requirements:

(a) No detached garages are permitted. All one-story Dwellings must have a minimum of a one (1) car attached garage, and all multi-level or two-story Dwellings must have a two (2) car attached garage.

(b) All Dwellings must be a minimum of forty-four feet (44') in width, as the house faces the street, which may include the garage. Wing walls or decorative additions to the house will not be considered for this requirement.

(c) All Dwellings must have a minimum roof pitch of 4/12.

(d) All Dwellings must have driveways running from the street to the garage, and the driveway must be of either concrete or asphalt. Weather permitting, this requirement must be met prior to occupancy.

(e) Fencing may be permitted from the front of the Dwelling to the Rear Lot Line. No fencing shall be permitted in the front yard setback area.

(f) The construction of summer cottages, A-frame type homes, earth homes, or log houses is hereby expressly prohibited.

tennas shall be placed upon the rear of any Dwelling roof and shall not extend more than five feet above the highest point on the roof.

(h) All Lots have certain proposed final elevations and drainage patterns (hereinafter referred to as the "Contours") established by Declarant or occurring naturally, which are necessary for the proper drainage and maintenance of the Lot or Lots and surrounding Property. The Contours have been approved by the Village. Owners shall grade the Lot to the proposed Contours at the time of construction of a Dwelling on the Lot.

Section 6. Lake Lot Restrictions.

(a) Construction shall be prohibited in the fifty foot (50') lakeside setback requirement except as follows:

(1) A patio may extend four feet (4') into this fifty foot (50') area as long as the patio does not contain any above-ground structures;

(2) Sidewalks and/or pathways from the structure to the lake shall be permitted;

(3) Seawalls shall be permitted; and

(4) Gas barbecues shall be permitted.

(b) All homes constructed on the lake shall front on the street side of the Lot. The character normally associated with the entry of the style of the Dwelling in question shall be the determining factor as to whether or not this requirement has been met.

(c) The Owners of Lots on the lake shall be responsible for the maintenance and clearing of weeds from so much of the bottom of the lake as is owned by them unless prohibited by law. Upon failure of any Owner to maintain and clear as herein provided, the Village may, but is not obligated to, perform such maintenance and shall have a lien upon the property for the cost of the work performed.

(d) No launching of any power boats shall be permitted from any portion of the Property.

(e) All fences, stakes, boathouses, or any obstruction in or under the water shall be prohibited.

(f) Temporary obstructions, such as rafts, piers, pier supports, or buoys, shall be placed in the lake, if at all, no earlier than April 1 and no later than September 1 of each year and such obstructions shall be removed from the lake no later than November 15 of each year. Also, no piers shall extend into the lake more than forty (40) feet from the Water Line.

ARTICLE V

General Restrictions

Section 1. Land Use - Single-Family Residential. All Lots shall be used only for single-family residences.

Section 2. Quality of Structure. It is the intention and purpose of these covenants to insure that all structures shall be of a quality design, workmanship and materials. All Structures shall be constructed in accordance with applicable govern-

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mental building codes and zoning ordinances of the Village and with more restrictive standards as may be required by the Committee. If, and to the extent there is any conflict between this Declaration and the provisions of any ordinances, codes, rules and regulations of the Village, then such conflict shall be resolved by the application of the more stringent provision as between this Declaration and such ordinance, codes, rules and regulations of the Village.

Section 3. Location of Structures on Lot. The location of each Structure, including driveways and culverts, on a Lot shall be subject to approval in writing by the Committee, giving consideration to setback lines, if any, on the recorded plat.

Section 4. Nuisances. No noxious or offensive activity shall be carried on, in or upon the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No plants or seeds or other conditions, harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of a Lot.

Section 5. Temporary Structures. No temporary building, trailer, mobile home, recreational vehicle, tent, shack or other similar Structure shall, except as otherwise herein provided, be located upon the Lots.

Section 6. Completion of Construction. Any construction undertaken on any Lot shall be continued with diligence toward the completion thereof and construction of any Dwelling shall be completed within seven (7) months from the date of commencement of construction, except that such period may be extended for a reasonable time by reason of act of God, labor disputes or other matters beyond the Owner's control. No Structure shall be deemed completed until the final certificate of occupancy has been issued.

Section 7. Lot Appearance. No person shall accumulate on his Lot junked vehicles, litter, refuse or other unsightly materials. Garbage shall be placed in receptacles provided therefore; and if outside, shall be properly screened. Vacant Lots shall not be used for the purpose of gardening and/or raising crops thereon. Vegetable gardens may be permitted after the Dwelling has been completed on the Lot as long as they are incidental thereto and are located in the area from the front of the Dwelling to the Rear Lot Line.

Section 8. Lot Maintenance. All Lots shall be maintained on a regular basis. All grass and weeds shall be mowed regularly and unsightly plants or underbrush or plants breeding infectious plant diseases or noxious insects shall be controlled at all times. In the event a Lot is not maintained as indicated herein, or, as indicated in Section 4 or 7 of this Article V, then Declarant, any Owner, the Village, or the Association shall have the right to enter upon subject Lot and maintain the Lot as required herein or therein. The costs thereof shall become a lien upon the Lot in the same manner as provided in Article VI hereof for non-payment of maintenance assessments.

Section 9. Telephone, Electric Installation. No lines or wires for communication or transmission of electric current or power shall be constructed, placed or permitted to be placed anywhere upon the Property other than within buildings or Structures or attached to their walls, unless the same shall be contained in conduits constructed, placed, and maintained underground and except for existing utility easements of record at the date of this Declaration.

Section 10. Recreational Vehicle Parking. The parking or storage of any recreational vehicle, boat, motor home or trailer shall be prohibited on a permanent basis (no longer than 24 hours) in a driveway. These vehicles may be parked adjacent to the Owner's garage or in the rear of the Dwelling.

Section 11. Vehicle Repair. The repair or body work on any motorized vehicle shall not be permitted except within the confines of the garage.

Section 12. Vehicle Parking. The parking of any vehicle in the driveway with more than four (4) wheels shall be prohibited over night except for those vehicles containing a Class B license (as defined as of the date of this Declaration) or less, unless it is within the garage structure.

Section 15. Signage.

(a) Any builders who will construct Dwellings on the Property may erect signs subject to the following restrictions:

(1) The sign may not exceed (12) square feet in area.

(2) Only one sign may be erected on any one Lot.

(3) The sign shall only advertise the builders' intention to construct a Dwelling and shall not contain any advertising in connection with the sale of the Lot.

(4) Builder's signs must be removed within 30 days after the later to occur of completion of the construction or the occupancy of the Dwelling.

(b) "For Sale" signs may be erected only on Lots improved with a Dwelling. "For Sale" signs shall not be permitted on vacant Lots. The "For Sale" signs that are permitted shall be subject to the following restrictions:

(1) A maximum area of six (6) square feet.

(2) Only one (1) sign may be erected per Lot.

(3) The sign may not be illuminated in any manner.

(c) As long as the Declarant is the record title owner of any Lot in the Property, Declarant or its beneficiary shall have the right to place signage of any size and type on any portion of the Property owned by the Declarant or any portion of the Common Area. The provisions of this Declaration shall not apply to the rights of Declarant to place signage on such Lot.

Section 13. Other Prohibited Matters. No animals other than inoffensive common domestic household pets such as dogs and cats shall be kept on any Lot. The breeding or keeping of these dogs or cats for sale or profit is expressly prohibited. The operation of "ham" or other amateur radio stations is expressly prohibited.

Section 14. Maintenance of Parkways. Owners shall be responsible for the maintenance of parkways located between their Lot lines and edges of street pavements on which said Lots face.

ARTICLE VI

Mariner's Cove Community Association

Section 1. Creation and Purposes. There shall be formed an Illinois not-for-profit corporation to be known as the Mariner's Cove Community Association which shall provide for

maintenance and operation of the Common Area reserved by Declarant for the common use of all residents and Owners of property therein and to insure the provision of services and facilities of common benefit, and in general to maintain and promote the desired character of Mariner's Cove.

Section 2. Board of Directors and Officers. The Association shall have a Board of not less than five (5) directors who shall be elected by the Members of the Association at such intervals as the corporate charter and By-Laws of the Association shall provide, except that vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled by the Board if so provided by the corporate charter or By-Laws and that the first Board may be appointed by the Declarant (or its beneficiary or designee) and shall be three (3) in number. The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board and who shall manage and conduct the affairs of the Association under the direction of the Board. Except as expressly otherwise provided by the charter or By-Laws, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in its Board from time to time and its officers under the direction of the Board, and shall not be subject to any requirement of approval on the part of its Members. The corporate charter and By-Laws of the Association may include such added provisions for the protection and indemnification of its officers and directors as shall be permissible by law. The directors and officers of the Association shall not be liable to the Owners or others for any mistake of judgment or any acts or omissions made in good faith as such directors or officers. The Owners shall indemnify and hold harmless each of such directors or officers against all contractual liability arising out of contracts made by such directors or officers on behalf of the Owners of the Association, unless any such contracts shall have been made in bad faith or contrary to the provisions of this Declaration. The liability of any Owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the directors or officers to the extent not covered by insurance, shall be limited to his proportionate share of the total liability.

Section 3. Membership and Voting.

(a) Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including a contract seller, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Lots.

(b) The Association shall have two classes of voting membership:

(1) Class A. Class A Members shall be every record owner of a fee simple interest in Mariner's Cove with the exception of the Declarant, and shall be entitled to one (1) vote on each matter submitted to a vote of Members for each Lot owned by him or it, provided, that where title to a Lot is in more than one person, such co-owners acting jointly shall be entitled to but one vote. When more than one person holds such interest in any Lot, all such persons shall be Members.

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(2) Class B. The Class B Members shall be the beneficiaries of the Declarant, its successors and assigns. Each of the Class B Members shall be entitled to an aggregate number of votes from time to time equal to two (2) times the total number of Class A votes (at the time a vote is taken) plus one (1). If there shall be more than one Class B Member, then the Class B votes may be exercised by Declarant or otherwise allocated as the Class B Members may agree. The Class B membership shall cease and be converted to Class A membership (entitled to one (1) vote for each lot in which the Declarant, its successors or assigns own an interest) on the happening of either of the following events, whichever occurs earlier:

(i) When the total votes outstanding in Class A membership equal three hundred ten (310) excluding the Declarant; or

(ii) Ten (10) years from the execution of this Declaration of Covenants, Conditions, Restrictions and Easements; or

(iii) In the case of additional memberships being created by annexation of portions of the additional land and the platting of same, the tests of (i) and (ii) above shall be applied separately to each portion of the annexed lands and the test under (ii) shall be five years from the date Declarant executes the Supplemental Declaration(s) annexing such portion.

Further, any Class B Member may record a document pursuant to which it relinquishes its rights to Class B membership, in which event such membership shall become Class A.

Section 4. Powers and Duties of the Board. The Board shall have the following powers and duties:

(a) Own, maintain and otherwise manage all of the Common Area and all facilities, improvements and landscaping thereon and upon and along the berms located or to be located on Lots 1 through 8 of the Property, and all other property acquired by the Association or which the Association agrees to maintain, including any obligation to maintain any landscaping located in concrete islands and median strips in the dedicated streets which are adjacent to the Property and to maintain any signage and lighting located thereon.

(b) Have the authority to obtain for the benefit of the Common Area, street, walkway and entry sign lighting, water, gas and electric services and refuse collection and to pay all utility charges incurred therewith.

(c) Grant easements where necessary for utilities, sewer facilities or other reasonable purposes over the Common Area.

(d) Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same at the first annual meeting of the Members of the Association after said appointment.

(e) Have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board.

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(f) Have a duty to maintain all drainage facilities and easements owned by the Association in accordance with the reasonable and acceptable engineering requirements of the Village.

(g) To provide for the maintenance of landscaping and signs for the Property on the entranceways to the Property.

(h) To mow, care for, and maintain vacant and unimproved property and remove rubbish from same and to do any other things necessary or desirable in the judgment of the Board to keep any vacant and unimproved property and parkways in front of any Property in Mariner's Cove neat in appearance and in good order.

(i) To make such improvements to the Association property and provide such other facilities and services as may be authorized from time to time by the affirmative vote of two-thirds (2/3) of the Members of the Association acting in accordance with its charter and By-Laws, provided, however, that any such action so authorized shall always be for the express purpose of keeping Mariner's Cove a highly desirable residential community.

(j) To adopt rules and regulations governing the Common Area:

(k) To elect the officers of the Association in the manner provided in the By-Laws.

(l) To exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Voting Members by the Articles of Incorporation, the Declaration or By-Laws.

Section 5. Maintenance Assessments.

(a) Each Owner, with the exception of the Declarant, by acceptance of a deed or other conveyance from the Declarant, its successors or assigns, is deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for capital improvements and unforeseen expenses, to be collected from time to time as hereinafter provided in this Declaration, together with the By-Laws of the Association. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with such interests, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them. In the event there is a deficit for maintenance assessments, the Declarant hereby agrees to annually fund the moneys necessary to pay this deficit. This obligation on behalf of the Declarant shall cease on January 1, 1982, or at some later date, as may be provided in a Supplemental Declaration.

(b) The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of such Common Area or the berm located on Lots 1 through 8 of the Property. Such uses shall include, but are not limited to, the cost of the Association of all taxes, insurance,

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repair, replacement and maintenance and other charges required by this Declaration of Covenants, Conditions and Restrictions or that the Board shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, replacements, taxes, and other charges as specified herein.

(c) In addition to the annual assessments authorized above, the Association 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, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, if any.

(d) Both annual and special assessments must be fixed at a uniform amount for all Lots. Annual assessments shall be collected on a yearly basis.

(e) The annual assessments provided for herein shall commence for all Lots within the Property on the first day of the month following the conveyance of the first Lot, except for any Lots owned by Declarant. The first annual assessment for Lots added through annexation to the Properties shall commence on the first day of the month following conveyance of the first Lot to an Owner. The Board shall fix the amount of the annual assessment of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. An Owner shall first be liable for payment of the full assessment (multiplied by a fraction whose denominator is 12 and whose numerator is the number of months, prorating accordingly, remaining until the end of the fiscal year, as provided in the By-Laws) on the date of conveyance of title to him. The Association shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association setting forth whether the assessments on a specified lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein.

(f) Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate allowed by law or eighteen (18%) percent, whichever is less, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. To the extent permitted by any decision or statute now or hereafter effective, the amount of any delinquent and unpaid charges or assessments and interest, costs and fees as above provided, shall be and become a lien or charge against the Lot of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens. Any court shall be authorized to restrain the defaulting Owner from reacquiring his interest at such judicial sale. In addition, if any Owner shall default in the payment, when same shall be due, of the aforesaid charges or assessments and said default shall continue for thirty (30) days after notice to said Owner by the Board, setting forth the

amount of unpaid charges or assessments together with a demand for payment thereof, the Board shall have the right to declare said default a Forcible Detainer of the Dwelling and shall have the right, on behalf of the other Owners, to enter and take possession of the Dwelling from said defaulting Owner, to put out the Owner, or any occupant or tenant claiming by, through or under the Owner, using such reasonable force as the Board shall deem necessary under circumstances and to exercise any of the rights and remedies set forth in the Forcible Entry and Detainer Act, Chapter 57, Illinois Revised Statutes.

(g) The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed on the Lots prior to the effective dates of such liens. In the event of the issuance of a deed, pursuant to the foreclosure of such prior mortgage or in lieu of such foreclosure, the grantee of such deed shall take title free and clear of any lien herein provided which may accrue prior to the recording of such deed.

(h) Notwithstanding anything to the contrary herein contained and whether or not Declarant shall have conveyed to the Association title to the Common Area, the Association shall pay and discharge all general and special real estate taxes and assessments levied by any public authority with respect to the Common Area.

(i) Until January 1, 1981, the regular assessments shall be sixty dollars (\$60.00) per Lot per year. From and after January 1, 1981, the regular yearly assessment shall be determined by the affirmative vote of two-thirds (2/3) of the Board of the Association, but the yearly rate of assessment may not be increased without the affirmative vote of two-thirds (2/3) of the voting membership if the amount exceeds one hundred dollars (\$100.00) per Lot per year.

Section 6. All Owners hereby covenant and agree that in the event the Association herein provided for shall be dissolved, all restrictions and obligations created herein shall remain in full force and affect.

Section 7. Member's Easements of Enjoyment. Every Member shall have a right of enjoyment in and to the Common Area and such right shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Board to limit the number of guests of Members.

(b) The right of the Board to establish uniform rules and regulations pertaining to the use of the Common Area and the recreational facilities thereof.

(c) The right of the Board, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof, to mortgage said property, provided that the rights of such mortgagees shall be subordinate to the rights of the Members.

(d) The right of the Board to suspend the voting rights and right to use the recreational facilities by a Member for any period during which any assessment against his Lot remains unpaid and delinquent; and to suspend the right to the use of the recreational facilities by a Member for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Board, provided that any suspension of such voting rights or right to use the recreational facilities, except for

failure to pay assessments, shall be made only by the Board or a duly appointed committee thereof, after notice and hearing given and held in accordance with the By-Laws of the Association.

(e) The right of the Board to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds of the votes of the membership has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Member not less than thirty (30) nor more than sixty (60) days in advance.

Section 8. Insurance. The Board shall also have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workman's compensation insurance, and other liability insurance as it may deem desirable, insuring each Owner, the Association, its officers, members of the Board, the Declarant, and their respective employees and agents from liability and insuring the officers of the Association and members of the Board from liability for good faith actions beyond the scope of their respective authority. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be common expenses payable out of the proceeds of the assessments required by and collected in accordance with Section 5 of this Article. The Association shall be further responsible for maintaining such policies of insurance for the Common Area against loss or damage by fire and such other hazards contained in the customary fire and extended coverage, vandalism and malicious mischief endorsements as the Association may deem desirable and may also obtain such other kinds of insurance as the Association shall from time to time deem prudent. Upon request, the Board shall furnish unto the Village copies of certificates of insurance or other adequate evidence of such insurance as the Association is required or authorized to maintain by the provisions hereof.

Section 9. Declaration of Maintenance Easement. An easement of ingress and egress is hereby reserved and granted unto the Association for the purpose of maintaining the landscaping upon and along the berms located or to be located within the twenty-five (25) foot utility, maintenance and drainage easement on Lots 1 through 8 as shown on the Plat of subdivision recorded as document no. 2028150 in the Office of the Recorder of Deeds, in Lake County, Illinois. It is expressly understood that ingress or egress for the purpose of this easement shall be from Washington Street.

Section 10. Interim Procedure.

(a) Until each of the various Lots shall have been conveyed by the Declarant to the first Owner thereof (or to such Owner's nominee) the beneficial owner of the Declarant shall, with respect to each such unsold Lot, have all the right granted to the Owners.

(b) Until the Association shall have been organized and shall have assumed its duties and powers, the beneficiary of the Declarant shall have all the rights, powers, duties and obligations herein granted to, or imposed upon, the Association and shall be authorized and empowered to take all such actions as the Board would have been authorized and empowered to take if the Association had then been formed. Alternatively, until the initial meeting of the Members, the Declarant (or its beneficiaries or designees) may appoint the Board which shall have the same powers and authority as given to the Board generally.

(c) The powers granted to the beneficiary of the Declarant by Section 10(b) hereof shall include, without limitation, the power to assess upon and collect from the individual Owners, their respective proportionate shares of the funds required for the carrying out of all the duties and obligations of the Association.

ARTICLE VII

General Provisions

Section 1. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Board, of the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinabove set forth.

Section 2. If and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting restraints on alienation, or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provision concerned shall continue and endure only until the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of Lee Fry living at the date of this Declaration.

Section 3. If at any time or times the Board shall deem it necessary or advisable to rerecord this Declaration or any part hereof in the Office of the Recorder of Deeds of Lake County, Illinois in order to avoid the expiration hereof or of any of the covenants, easements, agreements or other provisions herein contained under any of the provisions of Chapter 83 of the Illinois Revised Statutes presently in force commonly known as the Marketable Title Act, or any other law or statute of similar purport, they shall submit the matter to a meeting of the Members of the Association called upon not less than ten (10) days notice, and unless at such meeting at least two-thirds (2/3) of said Members shall vote against such rerecording, the Association shall have, and is hereby granted, power to so rerecord this Declaration or such part thereof, and such rerecording shall be binding upon all Owners of any part of the Property in every way and with all the full force and effect as though such action were taken by each of said Owners and the rerecorded document executed and acknowledged by each of them.

Section 4. Each grantee of Declarant by the acceptance of a deed of conveyance, and each purchaser under any contract for such deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such person in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance, or in any mortgage or trust deed or other evidence of obligation, and the rights described in this Section 4 or described in any other part of this Declaration shall be sufficient to create and reserve such easements and rights

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to the respective grantees, mortgagees and trustees of such Lot ownership as fully and completely as though such rights were recited fully and set forth in their entirety in such documents.

Section 5. Declarant, the Village and each Owner or Owners of any of the above land from time to time shall have the right jointly and separately to sue for and obtain a prohibitive or mandatory injunction to prevent the breach of, or to enforce the observance of, the covenants above set forth, or any of them, in addition to the right to bring an ordinary legal action for damages. Whenever there shall have been built (or whenever there is being built) on any Lot in Mariner's Cove any Structure which is and remains in violation of the covenants above set forth, or any of them, for a period of 30 days after actual receipt of written notice of such violation from Declarant by the Owner of such Lot, then Declarant shall have, in addition to the foregoing rights, the right to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owner, and such entry and abatement or removal shall not be deemed a trespass. In no event shall the failure of Declarant, the Village and such Owners to enforce any of the covenants herein set forth due to a particular violation be deemed to be a waiver of the right to do so as to any subsequent violation.

Section 6. Subject to the provisions of Section 15 of this Article, the record owners in fee simple of the Lots in Mariner's Cove may revoke, modify, amend or supplement in whole or in part any or all of the covenants and conditions contained in this Declaration and may release from any part or all of said covenants all or any part of the real property subject thereto, but only at the following times and in the following manner:

(a) Any such change or changes may be made effective at any time within ten years from the date of recording of this Declaration if the record owners in fee simple of at least three-fourths (3/4) of the Lots consent thereto.

(b) Any such change or changes may be made effective at the end of said initial ten (10) year period or any such successive ten (10) year period if the record owners in fee simple of at least two-thirds (2/3) of said Lots consent thereto at least one (1) year prior to the end of any such period.

Any such changes shall be effective only if expressed in a written instrument or instruments executed and acknowledged by each of the consenting Owners, certified by the Secretary of the Association and recorded in the Office of the Recorder of Deeds of Lake County, Illinois.

Upon and after the effective date of any such change or changes, it or they shall be binding upon all persons, firms, and corporations then owning property in Mariner's Cove and shall run with the land and bind all persons claiming by, through or under any one or more of them.

Section 7. Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering any Lot

ownership, or (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to any Lot.

Section 8. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for development.

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

Section 10. All articles and section headings set forth herein are intended for convenience only and shall not be given or construed to have any substantive effect on the provisions of this Declaration.

Section 11. If a court of competent jurisdiction shall hold invalid or unenforceable any part of any covenant or provision contained in this Declaration, such holding shall not impair, invalidate or otherwise affect the remainder of this Declaration which shall remain in full force and effect.

Section 12. At any time or times Declarant may assign any or all of its rights conferred on it as set forth in this Declaration and upon its execution of any assignment by Declarant, it shall be relieved from any liability arising from the performance or non-performance of such rights or obligations.

Section 13. Each Owner of a Lot in Mariner's Cove shall file the correct mailing address of such Owner with Declarant and shall notify Declarant promptly in writing of any subsequent change of address. Declarant shall maintain a file of such addresses and make the same available to the Association. A written or printed notice, deposited in the United States Post Office, postage prepaid, and addressed to any Owner at the last address filed by such Owner with Declarant shall be sufficient and proper notice to such Owner wherever notices are required in this Declaration.

Section 14. The singular shall include the plural wherever the Declaration so requires, and the masculine the feminine and neuter and vice versa.

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Section 15. Anything to the contrary herein notwithstanding, in no event shall this Declaration be abrogated without the prior written consent of the Village.

THIS DECLARATION is executed by SEARS BANK AND TRUST COMPANY, not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and SEARS BANK AND TRUST COMPANY hereby warrants that it possesses full power and authority to execute this instrument), and solely for the purpose of subjecting only that portion of the trust property specifically described herein to the terms of this Declaration. It is expressly understood and agreed by every person, firm, corporation, trust or other entity hereafter claiming any interest under this Declaration that any and all obligations, duties, covenants and agreements of every nature herein set forth by SEARS BANK AND TRUST COMPANY, as Trustee as aforesaid, to be kept and performed, if any, are intended to be kept, performed and discharged by the beneficiaries under said Trust No. 701493 or their successors, and not by SEARS BANK AND TRUST COMPANY personally, and no personal liability hereunder whatsoever is assumed by nor shall be asserted or enforced against said Trustee, all such liability, if any, being expressly waived; and further, that no duty shall rest upon SEARS BANK AND TRUST COMPANY, either personally or as such Trustee, to sequester trust assets, rentals, avails or proceeds of any kind, or otherwise to see to the fulfillment or discharge of any obligation, express or implied, arising under the terms of this Declaration. In the event of a conflict between the provisions of this paragraph and any other provision of this Declaration on any question of apparent liability or obligation resting upon said Trustee, the exculpatory provisions hereof shall be controlling.

IN WITNESS WHEREOF, the said SEARS BANK AND TRUST COMPANY, as Trustee as aforesaid, and not individually, has caused its corporate seal to be affixed hereunto and has caused its name to be signed to these presents by its (Assistant) Vice President and attested by its (Assistant)-Secretary, this 2nd day of November, 1980.

SEARS BANK AND TRUST COMPANY, an Illinois banking corporation, as Trustee under Trust No. 701493 and not individually



By: Jean M. Kukulicz
(Assistant) Vice President

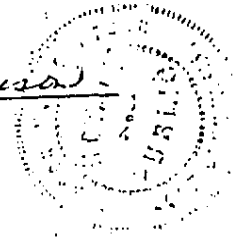
By: Patricia C. O'Neal
(Assistant) Secretary

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I, the undersigned, a Notary Public in and for the County in the State aforesaid, DO HEREBY CERTIFY that Seena M. Wolchik, the second Vice President of SEARS BANK AND TRUST COMPANY, and Jacqueline C. O'Neal, Asst Secretary of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such 2nd Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Asst Secretary then and there acknowledged that he as custodian of the corporate seal of said Bank did affix the corporate seal of said Bank to said instrument as his own free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 21st day of November, 1980.

Sharon V. Morrison
Notary Public



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CONSENT OF MORTGAGEE

Sears Bank and Trust Company ("Bank"), holder of a Mortgage dated as of February 1, 1979, and recorded in the office of the Recorder of Deeds of Lake County, Illinois, on February 16, 1979, as Document Number 1978693, as modified by Document Numbers 2024436, 2050054 and 2069134, hereby consents to the execution and recording of the attached Mariner's Cove Declaration of Covenants, Conditions, Restrictions and Easements and agrees that said Mortgage, as so modified, is subject thereto. Without the written consent then given of Bank, or its successors or assigns (which together with Bank are hereinafter collectively referred to as "Mortgagee"), said Mortgage shall not be subject or subordinate to any amendment to said Declaration or any Supplemental Declaration, nor shall any such amendment or Supplemental Declaration be executed or recorded without Mortgagee's written consent so long as Mortgagee has any interest in the Property or in the Additional Property.

IN WITNESS WHEREOF, the said Sears Bank and Trust Company has caused this Consent to be signed by its duly authorized officers on its behalf in Chicago, Illinois, on this 9th day of December, 1980.

SEARS BANK AND TRUST COMPANY

By: [Signature]
Vice President

ATTEST:

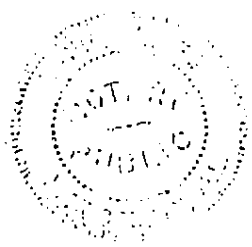
[Signature]

STATE OF ILLINOIS)
COUNTY OF COOK) ss.

I, Rennie Yates, a Notary Public in and for said County and State, do hereby certify that Ray Hamilton and Rick Hiron, Vice President and Const. Loan Officer, respectively, of Sears Bank and Trust Company, as such President and Const. Loan Officer, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 9th day of December, 1980.

[Signature]
Notary Public



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CONSENT OF PURCHASER

Timothy L. Callanan and

John P. Callanan, Jr., purchaser of Lot 10 under deed dated as of December, 1980, and recorded in the office of the Recorder of Deeds of Lake County, Illinois, on December 23, 1980, as Document Number 2094846, hereby consents to the execution and recording of the attached Mariner's Cove Declaration of Covenants, Conditions, Restrictions and Easements and agrees that said deed is subject thereto.

Timothy L. Callanan and

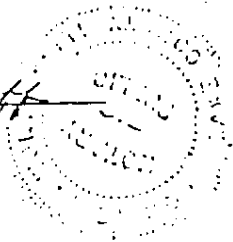
IN WITNESS WHEREOF, the said John P. Callanan, Jr. has executed this Consent on this 23 day of December, 1980.

By: *John P. Callanan, Jr.*

STATE OF ILLINOIS)
) SS.
COUNTY OF LAKE)

I, Bonnie B. Wolff, a Notary Public in and for said County and State, do hereby certify that Timothy L. and John P. Callanan appeared before me this day in person and acknowledged that he or she signed, sealed and delivered said instrument as his or her free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 23 day of December, 1980.

Bonnie B. Wolff
Notary Public 

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1980 DEC 31 AM 11:47

CONSENT OF PURCHASER

Beauchamp

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LAKE COUNTY AREA VOCATIONAL CENTER, Purchaser of Lots 12, 45, 46, 51, 91 and 92 in Lee Fry's Mariner's Cove Unit No. 1, under Trustee's Deed dated as of February 27, 1980, and recorded in the Office of the Recorder of Deeds of Lake County, Illinois, on February 28, 1980, as Document Number 2050340, hereby consents to the execution and recording of the attached Mariner's Cove Declaration of Covenants, Conditions, Restrictions and Easements and agrees that said deed is subject thereto.

IN WITNESS WHEREOF, the said Mervyn C. Pilotte, Secretary, Board of Controls, LAKE COUNTY AREA VOCATIONAL CENTER, has executed this Consent on this 30TH day of OCTOBER, 1980.

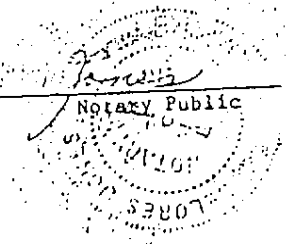
LAKE COUNTY AREA VOCATIONAL CENTER

By: *Mervyn C. Pilotte*
Mervyn C. Pilotte, Secretary
Board of Controls

STATE OF ILLINOIS)
) SS.
COUNTY OF LAKE)

I, *Delores Jones*, a Notary Public in and for said County and State, do hereby certify that Mervyn C. Pilotte, Secretary, Board of Controls, Lake County Area Vocational Center, appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his free and voluntary act and as the free and voluntary act of the Lake County Area Vocational Center for the uses and purposes therein set forth.

Given under my hand and notarial seal this 31st day of October, 1980.

Delores Jones
Notary Public


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EXHIBIT A

Lots 1 to 99, both inclusive, and Lots A and B, all in Lee Fry's Mariners Cove Unit No. 1, a Subdivision of Part of the Northeast Quarter and the Southeast Quarter of Section 25, Township 45 North, Range 10 East of the Third Principal Meridian, and of part of the South Half of Lot 2 of the Northwest Quarter and the North Half of Lot 2 of the Southwest Quarter of Section 19, Township 45 North, Range 11 East, of the Third Principal Meridian, all in Lake County, as shown on the plat of subdivision recorded on October 16, 1979 as Document 2028150 in the Office of the Recorder of Deeds, in Lake County, Illinois.

EXHIBIT B

PARCEL 1: That part of the South half of Lot 2 of the North West quarter and the North half of Lot 2 of the South West quarter of Section 19, Township 45 North, Range 11, East of the 3rd P. M., lying West of the West line of Lincoln Avenue (excepting therefrom that part lying North of the South line of Druce Lake Subdivision, recorded September 9, 1914, as Document 155153, in Book "J" of Plats, page 8 and except that part of Lot 2 of the North West quarter of Section 19, Township 45 North, Range 11, East of the 3rd P. M., described as follows: Commencing at the intersection of the South line of said Lot 2 with the center line of Lincoln Avenue (said point being 884.0 feet East of the South West corner of said Lot 2); thence North 8 degrees 30 minutes East along the center line of said Lincoln Avenue, a distance of 23.82 feet to the place of beginning of this description; thence continuing North 8 degrees 30 minutes East along said center line, a distance of 74.52 feet; thence North 3 degrees 30 minutes West along said center line, a distance of 140.0 feet; thence North 8 degrees 30 minutes West along said center line, a distance of 290.0 feet; thence North 58 degrees 30 minutes West 80 feet, more or less, to the water's edge of Druce Lake; thence South Westerly along said water's edge of Druce Lake, 380 feet, more or less, to a point which is North 53 degrees 42 minutes West, a distance of 409.7 feet, more or less, from the place of beginning; thence South 53 degrees 42 minutes East, a distance of 409.7 feet, more or less, to the place of beginning, also excepting that part thereof lying North Easterly of the property described in last exception (being property described in Document 1739433) and Westerly of the Westerly line of Lincoln Avenue and Easterly of Druce Lake) in Lake County, Illinois.

PARCEL 2: The South half of Lot "A" in Druce Lake Subdivision, a Subdivision of part of the South half of Lot 2 of the North West quarter of Section 19, Township 45 North, Range 11, East of the 3rd P. M., according to the plat thereof, recorded September 9, 1914 as Document 155153, in Book "J" of Plats, page 8, in Lake County, Illinois.

PARCEL 3: The North West quarter of the North East quarter of Section 24, Township 45 North, Range 10, East of the 3rd P. M., (except therefrom that part thereof described as follows: Commencing at the North East corner of said quarter quarter Section; running thence South on the East line thereof, 320 feet; thence West to the water's edge of Third Lake at low water mark; thence North Westerly along the water's edge of said Lake at low water mark to the North line of said Section 24; thence East on said North line to the place of beginning), in Lake County, Illinois.

PARCEL 4: That part of the North half of the South East quarter of Section 24, Township 45 North, Range 10, East of the 3rd P. M., described as follows, to-wit: Commencing at the North East corner of said half quarter Section; thence South along the East line thereof, 1,320 feet to the South East corner of said half quarter Section; thence West along the South line of said half quarter Section, 2.75 chains; thence North parallel with the East line of said half quarter Section, to a point 3.33 1/3 chains South of the North line of said half quarter Section; thence West 37.44 chains, more or less, to the West line of said half quarter Section; thence North on said West line, 3.33 1/3 chains to the North West corner

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EXHIBIT B (CONTINUED)

thereof; thence East along the North line of said half quarter Section to the place of beginning (except that part thereof conveyed by Alexander Druse to County of Lake, as Trustee, recorded in Book 58 of Deeds, page 133, described as follows, to-wit: Commencing 3 rods West of the South East corner of the North East quarter of the South East quarter of said Section 24; thence North parallel with the East line of said Section 24, a distance of 2.50 chains; thence West 2 chains; thence South 2.50 chains to the South line of said quarter quarter Section; and thence East to the place of beginning), in Lake County, Illinois.

PARCEL 5: The South East quarter of the North East quarter and the South West quarter of the North East quarter of Section 24, and that part of the North East quarter of the North East quarter of said Section 24, in Township 45 North, Range 10, East of the 3rd P. M., lying South Westerly of a line commencing at a point in the West line of said quarter quarter Section in the center of the channel between Second and Third Lakes, said point being 460 feet, more or less, South of the North West corner of said quarter quarter Section and running thence South Easterly to the South East corner of said quarter quarter Section, in Lake County, Illinois.

PARCEL 6: The West 5 acres of the East 1,021.5 feet of the South 16.66 chains of the North half of the South East quarter of Section 24, Township 45 North, Range 10, East of the 3rd P. M., in Lake County, Illinois.

PARCEL 7: That part of the North half of the South East quarter of Section 24, Township 45 North, Range 10, East of the 3rd P. M., described as follows: Commencing at the South East corner of said half quarter Section; thence West along the South line of said half quarter Section, a distance of 181.50 feet for a place of beginning; thence continuing West along the South line of said half quarter Section, a distance of 641.92 feet, more or less, to the South East corner of the West 5 acres of the East 1,021.5 feet of the South 16.66 chains of said half quarter Section; thence North along the East line of said 5 acres, a distance of 1,102.24 feet, more or less, to a point 220.00 feet South of the North line of said half quarter Section; thence East along a line 220.00 feet South of and parallel with the North line of said half quarter Section, a distance of 641.92 feet, more or less, to a point 181.50 feet West of the East line of said half quarter Section; thence South along a line 181.50 feet West of and parallel with the East line of said half quarter Section, a distance of 1,101.10 feet, more or less, to the place of beginning (except from said tract the South 344.00 feet of the West 206 feet thereof), in Lake County, Illinois.

PARCEL 8: That part of Lee Fry's Mariner's Cove Unit 1, a Subdivision of part of the North East quarter and the South East quarter of Section 24, Township 45 North, Range 10, East of the 3rd P. M., and of part of the South half of Lot 2 of the North West quarter and the North half of Lot 2 of the South West quarter of Section 19, Township 45 North, Range 11, East of the 3rd P. M., according to the plat thereof, recorded October 16, 1979, as Document 2028150, lying Easterly of the West line of Lincoln Avenue, in Lake County, Illinois.

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EXHIBIT B (CONTINUED)

Excepting therefrom the following described premises:

Lots 1 to 99, both inclusive, and Lots A and B, all in Lee Fry's Mariners Cove Unit No. 1, a Subdivision of Part of the Northeast Quarter and the Southeast Quarter of Section 24, Township 45 North, Range 10 East of the Third Principal Meridian, and of part of the South Half of Lot 2 of the Northwest Quarter and the North Half of Lot 2 of the Southwest Quarter of Section 19, Township 45 North, Range 11 East, of the Third Principal Meridian, all in Lake County, as shown on the plat of subdivision recorded on October 15, 1975 as Document 2028150 in the Office of the Recorder of Deeds, in Lake County, Illinois.

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EXHIBIT C

BY-LAWS OF

MARINER'S COVE COMMUNITY ASSOCIATION

ARTICLE I

Purposes and Powers

The Association shall be responsible for the general management and supervision of the Property and the ownership of the Common Area thereof and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration. Further, the Association shall have all powers now or hereafter granted by the General Not For Profit Corporation Act of the State of Illinois which shall be consistent with the purposes specified herein and in the Declaration.

ARTICLE II

Offices

2.01 Registered Office. The Association shall have and continuously maintain in this State a Registered Office and a Registered Agent whose office shall be identical with such Registered Office. The Association may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

2.02 Principal Office. The principal office of the Association shall be maintained in Lake County, Illinois.

ARTICLE III

Membership

3.01 Voting Members. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association (herein referred to as "Voting Member"). The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to an assessment by the Association. Ownership of such Lot shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Lots. Voting rights with regard to each Voting Member are set forth in Section 3.02 hereof.

3.02 Classes of Membership. The Association shall have two classes of voting membership:

(a) Class A. Class A Members shall be every record owner of a fee simple interest in Mariner's Cove with the exception of the Declarant, and shall be entitled to one vote on each matter submitted to a vote of Members for each Lot owned by him or it, provided, that where title to a Lot is in more than one person, such co-owners acting jointly shall be entitled to but one vote. When more than one person holds such interest in any Lot, all such persons shall be Members.

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(b) Class B. The Class B Members shall be the beneficiaries of the Declarant, its successors and assigns. Each of the Class B Members shall be entitled to an aggregate number of votes from time to time equal to two (2) times the total number of Class A votes (at the time a vote is taken) plus one (1). If there shall be more than one Class B Member, then the Class B votes may be exercised by Declarant or otherwise allocated as the Class B Members may agree. The Class B membership shall cease and be converted to Class A membership (entitled to one 1 vote for each Lot in which the Declarant, its successors and assigns own an interest) on the happening of either of the following events, whichever occurs earlier:

(i) When the total votes outstanding in Class A membership equal three hundred ten (310) excluding the Declarant; or

(ii) Ten (10) years from the execution of this Declaration of Covenants, Conditions, Restrictions and Easements; or

(iii) In the case of additional memberships being created by annexation of portions of the additional land and the platting of same, the tests of (i) and (ii) above shall be applied separately to each portion of the annexed lands and the test under (ii) shall be five years from the date Declarant executes the Supplementary Declaration(s) annexing such portion.

Further, any Class B Member may record a document pursuant to which it relinquishes its rights to Class B membership, in which event such membership shall become Class A.

3.03 Meetings.

(a) Quorum - Procedure. Meetings of the Voting Members shall be held at the principal office of the Association or at such other place in Lake County, Illinois as may be designated in any notice of a meeting. The presence at any meeting, in person or by proxy, of a majority of the total votes determined pursuant to Section 3.02 above shall constitute a quorum. Unless otherwise expressly provided herein, 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. Any Voting Member in writing may waive notice of a meeting, or consent to any action of the Association without a meeting.

(b) Initial and Annual Meeting. The initial meeting of the Voting Members shall be held at such time as may be designated upon not less than ten (10) days written notice given by the Declarant or its beneficiary, provided that such initial meeting shall be held no later than sixty (60) days after 310 Lots have been sold. Thereafter, there shall be an annual meeting of the Voting Members on the third Tuesday of November of each succeeding year, at 7:30 o'clock P.M. If the date for the annual meeting of Voting Members is a legal holiday, the meeting will be held at the same hour on the first day next succeeding such date which is not a legal holiday.

(c) Special Meetings. Special meetings of the Voting Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Voting Members, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board or by the Voting Members having

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one-fourth (1/4) of the total votes, and delivered not less than five (5) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

3.04 Notices of Meetings. Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Dwelling of the Owner with respect to which such voting right appertains, if no address has been given to the Board.

3.05 Proxies. At any meeting of Voting Members, a member entitled to vote may either vote in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

ARTICLE IV

Board of Directors

4.01 Board of Directors. The direction and administration of the Property in accordance with the provisions of the Declaration shall be vested in the Board of Directors, consisting of five (5) persons who shall be elected in the manner hereinafter provided, except for the first Board of Directors appointed by the Declarant (or its beneficiary or designee) which shall be three (3) in number. The Voting Members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the number and term of the office of the Board members at any annual meeting, provided that such number shall not be less than five (5), and that the terms of at least two-fifths (2/5) of the persons on the Board shall expire annually. Each member of the Board, with the exception of the Board members initially appointed by the Declarant (or its beneficiary or designee) shall be one of the Owners (including the Declarant); provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust or agent or employee of a beneficiary of such trust; or manager of such legal entity, shall be eligible to serve as a member of the Board.

4.02 Determination of Board to be Binding. All matters of dispute or disagreement between Owners or with respect to interpretation or application of the provisions of the Declaration or these By-Laws shall be determined by the Board as hereinafter provided, which determination shall be final and binding on the Association and on all Owners.

4.03 Election of Board Members. At the initial meeting of the Voting Members and at all subsequent annual meetings of the Voting Members there shall be elected a Board of Directors. In all elections for members of the Board of Directors, each Voting Member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Five (5) Board members shall be elected at the initial meeting and shall serve until the first annual meeting. The three (3) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected to the Board for a term of one (1) year. In the event of a tie vote, the members of the Board shall determine which members shall have the two (2) year terms and which members shall have the one (1) year terms. Upon the expiration of the terms of office of the

Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of two (2) years each. Notwithstanding the aforesaid election procedure the Declarant or its designee or beneficiary may appoint a Board which shall have the same powers and authority as given to the Board generally, as provided hereinafter, and such appointed Board shall function until such time as the initial meeting of the Voting Members is held.

4.04 Compensation. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the Voting Members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

4.05 Vacancies in Board. Vacancies in the Board, other than as a result of removal pursuant to Paragraph 4.07, including vacancies due to any increase in the number of persons on the Board, shall be filled by majority vote of the remaining members of the Board or of the Voting Members present at the next annual meeting or at a special meeting of the Voting Members called for such purpose.

4.06 Election of Officers. The Board shall elect from among its members a President who shall preside over both its meetings and those of the Voting Members, and who shall be the chief executive officer of the Board and Association, a Secretary who will keep the minutes of all meetings of the Voting Members and of the Board and who shall, in general, perform all the duties incident to the office of Secretary, and a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

4.07 Removal of Board Members. Any Board member may be removed from office by affirmative vote of the Voting Members having a least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Board member removed may be elected by the Voting Members at the same meeting or any subsequent meeting called for that purpose.

4.08 Meeting of Board. The initial meeting of the Board shall be held immediately following the initial meeting of the Voting Members and at the same place. At such meeting the Board shall elect its officers to serve until the first annual meeting which shall be held immediately following the first annual meeting of the Voting Members, and at the same place. All subsequent annual meetings of the Board shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of Voting Members. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice in writing to each member, delivered personally or by mail or telegram. Any member may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board without a meeting. A majority of the number of Board members shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action may be taken by the Board upon the affirmative vote of those present at its meetings when a quorum is present.

4.09 Execution of Instruments. All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents

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shall be signed by the President and countersigned by the Secretary.

ARTICLE V

Powers of the Board

5.01 General Powers of the Board. Without limiting the general powers which may be provided by law, the Declaration or these By-Laws, the Board shall have the following general powers and duties:

(a) Own, maintain and otherwise manage all of the Common Area and all facilities, improvements and landscaping thereon and upon and along the berms located or to be located on Lots 1 through 8 of the Property, and all other property acquired by the Association or to which the Association agrees to so maintain, including any obligation to maintain any landscaping located in concrete islands and median strips in the dedicated streets which are adjacent to the Property and to maintain any signage and lighting located thereon.

(b) Have the authority to obtain for the benefit of the Common Area, street, walkway and entry sign lighting, water, gas and electric services and refuse collection and to pay all utility charges incurred therewith.

(c) Grant easements where necessary for utilities, sewer facilities or other reasonable purposes over the Common Area.

(d) Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same at the first annual meeting of the Members of the Association after said appointment.

(e) Have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board.

(f) Have a duty to maintain all drainage facilities and easements owned by the Association in accordance with the requirements of the Village.

(g) To provide for the maintenance of landscaping and signs for the Property on the entranceways to the Property.

(h) To mow, care for, and maintain vacant and unimproved property and remove rubbish from same and to do any other things necessary or desirable in the judgment of the officers of the Association to keep any vacant and unimproved property and parkways in front of any Property in Mariner's Cove neat in appearance and in good order.

(i) To make such improvements to the Association property and provide such other facilities and services as may be authorized from time to time by the affirmative vote of two-thirds (2/3) of the Members of the Association acting in accordance with its charter and By-Laws provided, however, that any such action so authorized shall always be for the express purpose of keeping Mariner's Cove a highly desirable and exclusive residential community.

(j) To adopt rules and regulations governing the Lots and the use thereof.

(k) To elect the officers in the manner provided herein.

(l) To exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Voting Members by the Articles of Incorporation, the Declaration or By-Laws.

5.02 Capital Additions and Improvements. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Area, subject to all the provisions of the Declaration) having a total cost in excess of Five Thousand Dollars (\$5,000.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements to the Common Area requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00), without in each case the prior approval of the Voting Members holding two-thirds (2/3) of the total votes.

5.03 Tax Relief. In connection with the Common Area, the Board shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge all expenses incurred in connection therewith to the maintenance fund.

5.04 Rules and Regulations; Management.

(a) Rules. The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and occupants of the Property. Written notice of such rules and regulations shall be given to all Owners and occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

(b) Management. The Declarant/or trust beneficiaries/or Board may engage the initial management organization under contracts expiring not later than ninety (90) days after the date the initial meeting of Voting Members is held. Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board.

(c) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

5.05 Liability of the Board of Managers. The members of the Board and the officers of the Association shall not be personally liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith by such officers or Board members. The Owners shall indemnify and hold harmless each of the members of the Board and each of the officers against all contractual liability arising out of contracts made by the Board of Directors or officers on behalf of the Owners unless any such contracts shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any Owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the members of the Board or officers, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder.

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ARTICLE VI

Assessments - Maintenance Fund

6.01 Preparation of Estimated Budget. Each year on or before November 1, the Board will estimate the total amount necessary to pay the cost of wages, materials, taxes, insurance, services and supplies which will be required during the ensuing fiscal year (January 1-December 31) for the rendering of all services authorized by the Board, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall, on or before November 15, notify each Owner in writing as to the amount of such estimate ("Estimated Cash Requirement"), with reasonable itemization thereof. The Estimated Cash Requirement shall be assessed equally among all of the Owners other than the Declarant as provided in Article VI, Section 5 of the Declaration. On or before January 1 of the ensuing fiscal year, each Owner, other than Declarant, shall be obligated to pay to the Board, or as it may direct, the assessment made pursuant to this Section. On or before the date of the annual meeting of each calendar year, the Board shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected from the Owners pursuant to assessments made during such year (including amounts collected from the Declarant pursuant to Article VI, Section 5 of the Declaration) and showing the net amount over or short of the actual expenditures, plus reserves. The Board shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein.

6.02 Extraordinary Expenditures. The Board shall build up and maintain a reasonable reserve for authorized capital expenditures, contingencies and replacements ("Extraordinary Expenditures") not originally included in the annual estimate. Extraordinary Expenditures which may become necessary during the year shall be charged first against such reserve. If such reserve proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board may, at any time, levy a further assessment, which shall be assessed equally among the Owners, other than the Declarant. The Board shall serve notice of further assessment on all such Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective and fully payable ten (10) days after the delivery or mailing of such notice of further assessment. All such Owners shall be obligated to pay the adjusted annual amount.

6.03 Budget for First Year. When the first Board elected hereunder (or appointed by the Declarant or its beneficiary) takes office, it shall determine the Estimated Cash Requirement, as hereinabove defined, for the period commencing on the first day of the month following the conveyance of the first Lot and ending on December 31 of the fiscal year of said conveyance. The initial Estimated Cash Requirement shall be assessed equally to all Owners, other than the Declarant, as provided in Article VI, Section 5 of the Declaration.

6.04 Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on an Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the maintenance charge at the then existing annual rate established for the previous fiscal year, subject to adjustment at

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such time as the annual or adjusted estimate has been prepared and the Owners have been notified thereof.

6.05 Books and Records. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, or any holder of a mortgage lien on a Lot at such reasonable time or times during the normal business hours as may be requested by the Owner or by the holder of said first mortgage lien. Upon five (5) days' notice to the Board, any Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

6.06 Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Owners 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 all the Owners, other than the Declarant. All funds not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

6.07 Remedies for Failure to Pay Assessments. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of eighteen (18%) per annum or the rate allowed by law, whichever is less, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided, shall be and become a lien or charge against the Lot of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Unless otherwise provided in the Declaration, the members of the Board and their successors in office, acting on behalf of the other Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Any court shall be authorized to restrain the defaulting Owner from reacquiring his interest at such foreclosure sale.

6.08 Forcible Entry and Detainer. In addition to the rights and remedies set forth in Section 6.07, if any Owner shall default in the payment, when same shall be due, of the aforesaid charges or assessments and said default shall continue for thirty (30) days after notice to said Owner by the Board, setting forth the amount of unpaid charges or assessments together with a demand for payment thereof, the Board shall have the right to declare said default a Forcible Detainer of the Dwelling and shall have the right, on behalf of the other Owners, to enter and take possession of the Dwelling from said defaulting Owner, to put out the Owner, or any occupant or tenant claiming by, through or under the Owner, using such reasonable force as the Board shall deem necessary under circumstances and to exercise any of the rights and remedies set forth in the Forcible Entry and Detainer Act, Chapter 57, Illinois Revised Statutes.

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ARTICLE VII

Covenants and Restrictions as to Use and Occupancy

All Owners shall maintain, occupy and use their Dwelling and the Common Area only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Voting Members.

The Board shall have full authority to enforce all such rules and regulations by taking all action as may be necessary.

ARTICLE VIII

Committees

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

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

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

8.04 Chairman. One (1) member of each committee shall be appointed chairman.

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

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

8.07 Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

ARTICLE IX

Interim Procedure

Until the initial meeting of the Voting Members, the Declarant (or its beneficiary or designee) may appoint the Board which shall have the same powers and authority as given to the Board generally.

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ARTICLE X

Amendments

These By-Laws may be amended or modified from time to time by action or approval of the Voting Members entitled to cast two-thirds (2/3) of the total votes computed as provided in Section 3.02.... Such amendments shall be recorded in the Office of the Recorder of Deeds of Lake County, Illinois.

ARTICLE XI

Interpretation

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

ARTICLE XII

Definition of Terms

The terms used in these By-Laws shall have the same definition as set forth in the Declaration to the extent such terms are defined therein.

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ARTICLE XII

Definition of Terms

The terms used in these By-Laws shall have the same definition as set forth in the Declaration to the extent such terms are defined therein.

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Lots A and B in Lee Fry's Mariner's Cove Unit No. 1, a sub-division of part of the Northeast Quarter and the Southeast Quarter of Section 24, Township 45 North, Range 10 East of the Third Principal Meridian, and of part of the South Half of Lot 2 of the Northwest Quarter and the North Half of Lot 2 of the Southwest Quarter of Section 19, Township 45 North, Range 11 East, of the Third Principal Meridian, all in Lake County, as shown on the plat of subdivision recorded on October 16, 1979 as Document 2028150 in the Office of the Recorder of Deeds, in Lake County, Illinois.

EXHIBIT D

CERTIFICATE

I, Thomas Kocher, Secretary of Mariner's Cove Community Association, an Illinois not-for-profit corporation, consents to the recording of the attached amendments to By-Laws of Mariner's Cove Community Association, recorded on December 31, 1980, as Exhibit "C" to document number 2095597, in Lake County, Illinois. I further certify that the attached amendments have been approved by voting members entitled to vote by two-thirds (2/3) of the total votes computed as provided in Section 3.02.

MARINER'S COVE COMMUNITY ASSOCIATION

By: Thomas S. Kocher
Thomas Kocher

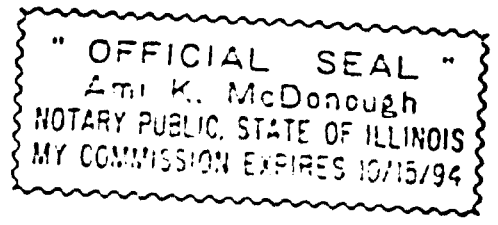
STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

THOMAS KOCHER, being first duly sworn on oath, deposes and says that he has read the above and foregoing by him subscribed, and knows the contents thereof and the same are true in substance and in fact.

Thomas S. Kocher
THOMAS KOCHER

SUBSCRIBED and SWORN to before me
this 27 day of December, 1990.

Jim McDonough
Notary Public



2976903

RECORDED
LAKE COUNTY, ILLINOIS

1990 DEC 28 PM 2:38

Franklin J. Heston

(2)

PAID

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H

Article VI, Section 6.01 reads as follows:

6.01 Preparation of Estimated Budget. Each year on or before November 1, the Board will estimate the total amount necessary to pay the cost of wages, materials, taxes, insurance, services and supplies which will be required during the ensuing fiscal year (January 1 - December 31) for the rendering of all services authorized by the Board, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall, on or before November 15, notify each Owner in writing as to the amount of such estimate ("Estimated Cash Requirement"), with reasonable itemization thereof. The Estimated Cash Requirement shall be assessed equally among all of the Owners other than the Declarant as provided in Article VI, Section 5 of the Declaration. On or before January 1 of the ensuing fiscal year, each Owner, other than Declarant, shall be obligated to pay to the Board, or as it may direct, the assessment made pursuant to this section. On or before the date of the annual meeting of each calendar year, the Board shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected from the Owners pursuant to assessments made during such year (including amounts collected from the Declarant pursuant to Article VI, Section 5 of the Declaration) and showing the net amount over or short of the actual expenditures, plus reserves. The Board shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein.

Amend Article VI, Section 6.01 to read as follows:

6.01 Preparation of Estimated Budget. Each year on or before April 1, the Board will estimate the total amount necessary to pay the cost of wages, materials, taxes, insurance, services and supplies which will be required during the ensuing fiscal year (July 1 - June 30) for the rendering of all services authorized by the Board, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall, on or before April 15, notify each Owner in writing as to the amount of such estimate ("Estimated Cash Requirement"), with reasonable itemization thereof. The Estimated Cash Requirement shall be assessed equally among all of the Owners other than the Declarant as provided in Article VI, Section 5 of the

Declaration. On or before July 1 of the ensuing fiscal year, each Owner, other than Declarant, shall be obligated to pay to the Board, or as it may direct, the assessment made pursuant to this section. On or before the date of the annual meeting of each fiscal year, the Board shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected from the Owners pursuant to assessments made during such year (including amounts collected from the Declarant pursuant to Article VI, Section 5 of the Declaration) and showing the net amount over or short of the actual expenditures, plus reserves. The Board shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association, setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein.

Mail to:

The Law Offices of Diambri & Vicari, P.C.
5101 Washington Street
Suite 2A
Gurnee, IL 60031

Article III, Section 3.03, subsection (b) reads as follows:

(b) Initial and Annual Meeting. The initial meeting of the Voting Members shall be held at such time as may be designated upon not less than ten (10) days written notice given by the Declarant or its beneficiary, provided that such initial meeting shall be held no later than sixty (60) days after 310 Lots have been sold. Thereafter, there shall be an annual meeting of the Voting Members on the third Tuesday of November of each succeeding year, at 7:30 o'clock P.M. If the date for the annual meeting of Voting Members is a legal holiday, the meeting will be held at the same hour on the first day next succeeding such date which is not a legal holiday.

Amend Article III, Section 3.03, subsection (b) to read as follows:

(b) Initial and Annual Meeting. The initial meeting of the Voting Members shall be held at such time as may be designated upon not less than ten (10) days written notice given by the Declarant or its beneficiary, provided that such initial meeting shall be held no later than sixty (60) days after 310 Lots have been sold. Thereafter, there shall be an annual meeting of the Voting Members on the third Tuesday of April of each succeeding year, at 7:30 o'clock P.M. If the date for the annual meeting of Voting Members is a legal holiday, the meeting will be held at the same hour on the first day next succeeding such date which is not a legal holiday.

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