

DECLARATION OF COVENANTS AND RESTRICTIONS

THE VILLAS OF TUSCANY

PREAMBLE

THIS DECLARATION is made the _____ day of _____, 2005, by BRADY RESIDENTIAL COMMUNITY, hereinafter called Developer.

WITNESSETH:

WHEREAS Developer own the property described in Exhibit A (the subject property-Phase I); which may eventually developed as depicted on Exhibit A-1 or in some other manner as Developer may determine; and

WHEREAS Developer also owns the property described in Exhibit B (the additional property designated for Phase II and Phase III); which may eventually be developed as depicted on Exhibit B-1 or in some other manner as Developer may determine, and

WHEREAS Developer hereby submits the subject property-Phase I to this Declaration to be used as depicted on the Final Planned Unit Development (PUD) Plan described in Exhibit C; and

WHEREAS Developer has and retains the unilateral right to add some or all of the additional property shown on the plan to this Declaration. Any such addition shall be the recording of a Final PUD phase plan depicting the configuration of that portion of the additional property and a description of the lots, common area and limited common area in that phase as amended from time to time, and

WHEREAS Developer had and retains the unilateral right to resubdivide portions of this subject property, any such resubdivision shall be the recording of a supplemental declaration containing a legal description of the property subdivided, a supplemental final PUD phase plan depicting the configuration of that portion of the property resubdivided and a description of the lots, common areas and limited common areas in that resubdivision as amended from time to time; and

WHEREAS Developer deems it advisable for the efficient preservation of the property, and any portion of the additional property made subject to this Declaration, to create an Association to which shall be delegated and assigned the power, authority and responsibility to maintain and administer the common area, including but not limited to, grounds, landscaped and natural areas, private storm sewers, flood routes, common drainage tile, signage, private streets, parking areas, driveways, street lights, private utilities, entrances, herms, sidewalks and nature paths; to administer and enforce these covenants and restrictions; to perform the obligations

imposed on the agency by this Declaration; and to collect and disburse all assessments and charges necessary to carry out all such responsibilities.

NOW, THEREFORE, Developer declares that the subject property described in Exhibit A, and any portion of the additional property described in Exhibit B which is submitted to this Declaration by the future recording of one or more Supplemental Declarations, shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, obligations and liens hereinafter set forth.

ARTICLE I Definitions

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

- (a) Architectural Control Committee shall mean the Architectural Control Committee appointed and empowered in Article IV of this Declaration.
- (b) Association shall mean and refer to The Villas of Tuscany Homeowners Association, the Illinois not-for-profit Membership corporation described in Article II and V, including its successors and assigns.
- (c) Additional Property shall mean and refer to the property described in Exhibit B.
- (d) Subject Property or Properties shall mean and refer to the property (described in Exhibit A) and any portion of the additional property (described in Exhibit B) made subject to this Declaration by the recording of a supplemental declaration.
- (e) Common Area shall mean and refer to all of the property outside the perimeter of the living units.
- (f) Declaration shall mean The Villas of Tuscany Declaration of Covenants and Restrictions, i.e. this document.
- (g) Limited Common Area shall mean and refer to a portion of the common area contiguous to and serving one or more single living units as inseparable appurtenance thereto, including specifically but not by way of limitation, any overhand or other part of a living unit extending beyond the foundation wall, a patio area or other individual use area at the rear of the unit as depicted on the "typical unit plans: shown in Exhibit D, the driveway leading from the street to the unit, the sidewalk from the driveway to the front door of the unit, any party wall and any pipe, drainage tile, wire or cable, duct or other conduit which crosses one lot to serve another lot.

Limited Common Areas as shown on Exhibit D, may be unilaterally established by the Developer, or may be established by the Association with the prior approval of the Architectural Control Committee. Any additional limited common elements shall be designated by the recording of a supplemental to Exhibit D.

- (h) Living Unit shall mean and refer to any portion of any building situated upon a lot designed and intended for use and occupancy as a residence by a single family.
- (i) Lot shall mean and refer to an improved or unimproved plot of land as shown in the Final Planned Unit Development Plan (Exhibit C) and the typical lot plan (Exhibit D).
- (j) Member shall mean every person with an ownership interest in a unit.
- (k) Operating Fund shall mean the fund created for the receipts and disbursements of the Association pursuant to Article III.
- (l) Party Wall shall mean a common wall which divides two living units.
- (m) Ownership interest in a lot or living thereon shall mean and refer to the interest held by any joint Owner, tenant-in-common, joint tenant, co-owner of an individual interest in a lot or living unit thereon, beneficiary of a title holding trust, or other person who, in connection with other persons, constitutes an Owner Legal or equitable, and those with contractual rights in a lot or living unit thereon acquired through an Agreement for Deed in Escrow or comparable escrowed conveyance arrangement.

ARTICLE II

The Villas of Tuscany Homeowners Association

Section 1. Organization. The Developer will, within sixty (60) days after closing/platting of the first lot of Phase I, cause an Association to be formed as a not-for profit corporation under the laws of the State of Illinois. The Association will be called the Villas of Tuscany Homeowners Association.

Section 2. Membership. Every person with an ownership interest in a lot automatically, and without further action, shall be a Member of the Association.

Section 3. Associate Membership. Every person, who is entitled to possession and occupancy of any living unit as a tenant or lessee of a Member, may be an associate Member of the Association and as such, shall be privileged to use the common area, subject to the rules and regulations of the Association. Associate Members shall not have voting rights.

Section 4. Voting Rights. Members of the Association shall be entitled to vote in person or by proxy as follows:

- A . For each lot held in fee simple: one vote

- B. When more than one person is a lot Owner, the vote for such a lot shall be exercised as the co-owners among themselves determine.
- C. No member shall be expelled or have their voting rights canceled by the Association, provided, however, that no Member shall be entitled to vote on any matter during such period of time as there is any default in the payment of any assessment on the lot in which the Member has an ownership interest.

Section 5. Powers and Authority of the Association. The Association shall have and possess all powers of an Illinois not-for-profit corporation subject only to limitations upon the exercise of such powers as are expressly set forth in these Declaration of Covenants and Restrictions and any bylaws adopted by the Board. It shall have the power to do and perform any and all acts which may be proper for or necessary for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety or general welfare of the Members. It shall operate through an elected Board of Directors. The Board shall operate pursuant to By-laws adopted by the Board.

Section 6. Directors and Officers. The Developer shall appoint three (3) directors to the Board of Directors and necessary interim officers of the Association until ____ lots have been sold by Developer or January 1, 2010, whichever occurs first. At that time a meeting of the Association shall be called for the election of directors and officers by the Members pursuant to the by-laws of the Association in effect at that time.

ARTICLE III Assessments and Funds

Section 1. Creation of the Lien and Personal Obligation of Assessments. By acquiring an ownership interest in any lot, each Member and his or her heirs, executors, and administrators and his, her or its successors and assigns agree to pay to the Association promptly when assessed all assessed amounts. Each Member shall be deemed to have consented to make such payments and to have agreed to all the terms and provisions of this Declaration, whether or not a mention of such a provision was included in the contract, deed or other instrument by which he, she or it acquired an ownership interest in a lot. The annual and special assessments of the Association, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge against and shall constitute a continuing lien upon the lot and living unit against which assessment is made. Each such assessment, together with such interest thereon, and costs of collection thereof, as hereinafter provided, shall also be a personal obligation of all Members who held such ownership interest at the time when the assessment became due and payable. In case more than one person has an ownership interest in a lot, all of such persons shall be jointly and severally liable.

Section 2. Assessments:

- A. Annual Assessment. Annual assessments levied by the Association shall be used to accomplish the following:

1. To promote the health, safety, pleasure and welfare of the Members of the Association.
 2. To pay costs and expenses incident to the maintenance function and responsibilities of the Association.
 3. To pay the cost of services furnished by or to the Association by independent contractors for services such as lawn, landscape and natural area care, street cleaning and snow removal.
 4. To pay premiums for insurance coverage on the common area and professional fees for legal, accounting, architectural and similar services.
 5. To pay all other costs and expenses incidental to the operation and administration of the Association.
 6. To accumulate funds for the replacement of private roads, storm sewers and other capital improvements maintained by the Association.
- B. Special Assessment. Special Assessments shall be used to pay the cost of capital improvements or extraordinary maintenance, repair or replacement of property maintained by or under the control of the Association, and to reimburse the Association for costs due to the failure of any unit Owner to complete repair or maintenance obligations of specific unit.
- C. Additional Assessment. If at any time during any fiscal year the regular operating and maintenance assessment shall prove inadequate for any reason (including nonpayment of any Member's share thereof), the Board of Directors of the Association may levy a further assessment in the amount of such actual or estimated inadequacy with the approval of Members casting votes for 51% of the lots.
- D. Reimbursement Assessment. The Board of Directors of the Association shall levy a "Reimbursement Assessment" against any Member whose failure to comply with the Covenants and Restrictions, the Rules and Regulations or the Architectural Control Committee rules causes funds to be expended by the Association in performing its functions under the above mentioned restrictions and rules. Such assessment shall be for the purpose of reimbursing the Association, shall be limited to the amount so expended and shall be due and payable to the Association when levied.

Section 3. Operating Fund. There shall be an operating fund into which the Association shall deposit all monies paid to its as assessments and miscellaneous fees. Disbursements shall be made from this fund in performing the functions for which the foregoing assessments are levied.

Section 4. Budget Preparation

A. Procedure:

1. Annually, before the close of the current year, the Association shall prepare a budget showing the projected receipts and expenditures for the next fiscal year. The budget shall include the following:
 - a) the proposed Annual Assessment of the Association by unit, which until December 31, 2005 shall not exceed \$1,800 per year or \$150.00 per month.
 - b) any approved Special Assessments of the Association which assessments shall be payable quarterly or as required with the right of prepayment.
 - c) all projected expenses for the fiscal year.
 - d) any capital improvements, provided that the cost of each such capital item shall not exceed \$100,000 without the prior approval of Members casting votes for 51% of the lots.
2. The Annual Budget shall be prepared and distributed to each unit Owner not less than 30 days prior to the date of the meeting to approve its adoption.
3. The Association shall give at least ten (10), but not more than thirty (30), days written notice of any board meeting at which the proposed Annual Budget is to be adopted or a Special Assessment established.
4. Annually, within 30 days after the close of the Association's fiscal year, the Association shall supply each unit Owner an itemized accounting of the preceding year's actual receipts and expenditures. The accounting shall include a tabulation of the amounts collected by unit, excess or deficit in each income and expense account, the amount of reserves on hand by account, any delinquencies by unit Owner, and other related information.

Section 5. Assessment Period and Payment. The period for which annual Assessments of the Association are made shall be the twelve-month period extending from January 1 through the next succeeding December 31. The period for the first Annual Assessment shall begin January 1, 2006. Monthly payments by new Members will not be due until the 1st day of the month following the date they acquired an ownership interest in a lot and/or unit.

Assessments shall be due and payable by the lot Owner to the Association in their entirety. Payments shall be made monthly in advance and shall be due the first day of each month and thereafter shall be delinquent. The Board of Directors, at its option, may require a lot Owner to pay a "late charge" in a sum to be determined by the Board for any assessment which is not received by the 15th of each month when due. Each assessment which is not paid within thirty (30) days after it is due shall also bear interest from its due date at a monthly interest rate to be determined from time to time by the Board of Directors.

Section 6. Ledger of Assessments/Certificate of Payment. The Association shall cause to be prepared a ledger of units and all assessments applicable thereto according to unit number, street address and/or legal description. The assessment ledger shall be kept in the office of the Association and shall be open to inspection, upon request, by any Member.

The Association shall, upon request of any Member or of the mortgagee of any lot, furnish a certificate in writing, signed by an officer of the Association, setting forth whether or not such assessment has been paid. Such certificate shall constitute conclusive evidence of the payment of any assessments therein stated to have been paid.

Section 7. Effect of Non-Payment of Assessment. If any assessment is not paid promptly on the due date thereof, then such assessment shall become delinquent automatically and shall, together with daily late penalties and interest thereon and costs of collection thereof, as hereinafter provided, become a continuing lien on the lot and the living unit against which it is levied, which lien shall bind such lot, whether in the hands of the then Owner or his, or her heirs, executors, devisees, or personal representatives and/or their successors and assigns. The personal obligation of each Member to pay such assessment, however, shall remain his, her, their or its personal obligation and shall not be a personal obligation of successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the due date, the assessment and the late payment charge, together with the interest on both at the rate prescribed by the Board of Directors may be enforced and collected by the Association by the institution of an action at law against the unit Owner or Member personally, or by an action to foreclose the lien against the unit, and in any case and regardless of the method used, shall include court costs, service charges and attorneys fees, and all costs or advancements made in collection and/or foreclosure actions.

Section 8. Exempt Property. The following property, although subject to this Declaration, shall be exempt from all assessments, late penalty and interest charges and liens created herein:

- a) all Common areas as defined in Section 1 of Article 1 hereof, and
- b) all properties owned by the Developer until such properties are rented or leased by the Developer to a third party.

ARTICLE IV Architectural Control Committee

Section 1. Purpose of Architectural Control Committee. It shall be the duty of the Architectural Control Committee to consider and act upon all proposals or plans submitted to it pursuant to the terms of these Covenants and Restrictions, to adopt architectural rules and guidelines for the community, to carry out all other duties imposed upon it by The Villas of Tuscany restrictions and to perform other duties delegated to it by the Association.

Section 2. Creation. The Developer shall create an Architectural Control Committee. The Committee shall consist of up to three individuals appointed by the Developer, which may include a representative of the Developer.

Section 3. Vacancies. Vacancies in the Architectural Control Committee shall be filled by the Developer. When the Developer no longer owns any lots, units or common area, vacancies on the Architectural Control Committee shall be filled by appointments by the Association. The Architectural Control Committee may act through a designated agent, such as an architect or architectural firm, which designation may be made and revoked by written instrument, placed on record in the office of the McLean County Recorder of Deeds.

Section 4. Review and Approval Procedures/Additions, Alterations or Modifications to Units/Common Areas or Limited Common Areas.

A. Architectural Control Committee Authority

1. The Developer may make additions, alterations or modifications to any unit, the common area or the limited common areas without prior Architectural Review Committee review and approval.
2. The Association may make additions, alterations or modifications to unit exteriors, the common area or the limited common area, but only with prior Architectural Control Committee review and approval.
3. Any lot Owner may make additions, alterations or modifications to his, hers, its or their limited common area, but only with prior Architectural Control Committee review and approval.
4. Any lot Owner may make additions, alterations or modifications to the exterior of any living unit (and interior window treatments visible from the exterior) only with the prior Architectural Control Committee review and approval. Any such approved additions, alterations or modifications must be for the betterment of the community as a whole.
5. Any lot Owner may make additions, alterations or modifications to the interior of any living unit, other than interior window treatment visible from the exterior, any party or other common element with the unit without prior Architectural Control Committee review and approval.

B. Scope of Authority. Except for improvements constructed by the Developer, no building, dwelling, wall, fence, enclosure, dog run, storage shed, swimming pool, antenna, satellite dish, sidewalk, drive, tent, awning, sculpture, work of art, pole, hedge, tree bush, garden, shrub, mass planting or other structure or excavation shall be commenced, erected, planted on, or removed from the property, nor shall any

exterior addition to any such existing structure or change or alteration thereof, including painting or staining, be made until detailed plans and written specifications thereof showing the nature, species, kind, shape, height, color, materials and location of the same, with accurate references to lot lines and showing proposed grading, drainage and methods of soil control, (or so much of that information as the Architectural Control Committee deems relevant) shall have been submitted to and approved in writing by the Architectural Control Committee. Proposals submitted for approval must include specifics as to harmony and compatibility of external design and location, with the surrounding structures, topography and common area.

- C. Basics for Approval. In approving or disapproving a proposal, the Architectural Control Committee shall consider:
1. The extent to which the proposal conforms to approved The Villas of Tuscany Planned Unit Development Plan;
 2. The extent to which the proposal conforms with this Declaration;
 3. The extent to which the proposal is comparable and/or compatible with the existing and proposed use or uses of adjoining or nearby living units;
 4. The extent to which the proposal is consistent with and enhances the overall quality of the Villas of Tuscany community;
 5. The extent to which maintenance and repair of the alteration or improvement will increase maintenance and/or other costs to the Association.
- D. Certificate of Approval. The Architectural Control Committee shall issue its “Certificate of Approval” following the action taken by the Committee on each request. Similarly the Committee shall issue a “Certificate of Completion and Compliance” when the structure, addition, alteration or change is completed and inspected by the Committee for compliance.
- Any title company or person certifying, guaranteeing or insuring title to any unit or portion of the property or any lien thereon or interest therein, shall be fully justified in relying upon the contents of the Certificate signed by any person serving on the Architectural Control Committee, or any agent thereof, appointed in accordance with the provision herein, and any Certificate shall fully protect any purchases or lender acting in good faith thereon.
- E. Right of Entry. During any construction or alteration required to be approved by the Architectural Control Committee, any person serving on the Committee or any agent of the Committee shall have the right to enter upon and inspect, during reasonable hours, any part of any unit, limited common area or improvements thereon, for the

purpose of ascertaining whether or not the provisions herein set forth have been and are being followed. Persons or agents entering and inspecting shall not be deemed guilty of trespass by reason thereof.

- F. Non-Waiver. The approval by the Architectural Control Committee of any plans and specifications, plot plan, grading, planting or any other plan or matter requiring approval as herein provided shall not be deemed to be a waiver by the said Committee of its right to withhold approval as to other similar features or elements embodied therein when subsequently submitted for approval by other Members. Neither the Committee nor any person serving on the Committee, nor the Association, nor the Developer, nor the present Owner of said real estate shall be in any way responsible or liable for any loss or damage, or for any error or defect, which may or may not be shown on any plans and specifications, or on any plot or grading plan, or planting or other plan, or any building or structure or work done in accordance with any other matter, whether or not the same has been approved, by said Committee or the Association, or the present Owner or Developer of the property.
- G. Exemption. The provisions of this Section shall not apply to the Developer property, lots or units owned by the Developer.

ARTICLE V Responsibilities of the Association

Section 1. Business Operations and Expenses. From Annual Assessments, the Association may provide and pay for the following:

- A. Insurance, including liability and casualty on the common area and improvements thereon and officers and directors coverage for those serving on the Board of Directors and/or Architectural Control Committee;
- B. Administrative services, including office staff, bookkeeping legal and accounting services;
- C. Utility charges on common area lighting, irrigation and any other amenity requiring utility service;
- D. Real estate taxes on property owned by the Association;
- E. Reasonable reserves replacements and contingencies.

Section 2. Maintenance. From Annual Assessments, the Association may provide and pay for the following:

- A. Snow removal from driveways, sidewalks, private streets, and parking areas located in the common and limited common areas at the front of each living unit;

- B. Lawn care in the common area including mowing and trimming of grassed areas and maintenance of irrigation system;
- C. Seasonal clean-up and pruning of landscaped areas in the common areas;
- D. Repair, replacement, maintenance and fertilizing/chemical application to the landscaping in common areas;
- E. Maintenance of roadways, storm sewers and collector tile system for footing tile;
- F. Maintenance of street lighting and signage including monthly fees;
- G. Other maintenance as required to maintain the quality of life in The Villas of Tuscany community.

Section 3. Repair and/or Replacement. From Annual and Special Assessments, the Association may provide and pay for the current and future repair and replacement of the following:

- A. Private streets, sidewalks, paths, nature trails, shelters, off-street parking areas, storm sewers, footing tile collection system, street lights and other private utilities including irrigation systems, except sanitary sewer and unit service lines in the common areas;
- B. All landscaping in the common area;
- C. Accumulation of funds for the eventual repair and/or replacement of the private roadways.

Driveways, sidewalks and front steps and porches in the limited common areas are the sole responsibility and expense of the individual unit Owner.

Section 4. Exterior and Limited Common Area Repairs. The Association, at the request of the Architectural Control Committee, may require the maintenance, repair or replacement of the roof, windows, party walls, exterior, utility service line, of any living unit and the patio area and/or other improvements in the limited common area at the rear of any unit in one of two ways:

1. By requiring the lot and living unit Owner to have the work done subject to the prior review and approval of the Architectural Control Committee; or
2. By levying a Special Assessment against the specific lot and living unit on which the work is done and using the assessment to pay a contractor hired by the Association to do the work subject to the review and approval of the Architectural Control Committee.

Section 5. Repairs by Association Occasioned by Members Neglect. Every Member, by acquiring an ownership interest in a lot or until, covenants that they will not permit the lot, living unit or anything in the living unit or on or attached to any limited common elements to be maintained in other than good repair and in a safe, neat and attractive condition. In the event any Member shall fail to so maintain his or her or its, living unit or limited common element and such neglect, in the judgment of the Developer, the Association or the Architectural Control Committee, is resulting in a condition of unsightliness tending to adversely affect the value or enjoyment of the neighboring properties, or constitutes a hazard to persons or property, the Developer, the Association, or the Architectural Control Committee may give notice of such conditions to the Owner, demanding that such conditions be corrected within seven (7) days from the date the notice is sent. If the Member, unit Owner or lot Owner does not rectify the condition at the end of the seven day period, the Developer, the Association, or the Architectural Control Committee may cause such work to be performed as is necessary to rectify the condition. The cost of such work shall be assessed against the living unit upon which the services are performed and shall be reimbursed through the Reimbursement Assessment as explained in Article III, Section 2D to which only that living unit is subject. As part of such assessment, said cost shall be a lien and obligation of each Member with an ownership interest in that living unit in all respects. Payments of the Reimbursement Assessment for any work performed pursuant to this Section shall be due upon presentation of the assessment notice and the supporting invoices to the Owner, either in person or by regular mail. If the Owner does not make prompt and full payment of the Reimbursement Assessment within fifteen (15) days from the date the notice is presented to the Owner, an interest penalty shall be added to the assessed amount due. The rate of interest is to be determined by the Board of Directors. Payments not received within thirty (30) days shall bear additional interest at the prescribed rate. The assessment, penalty and interest shall also constitute a lien upon the lot and living unit and a personal obligation to such Member, which may be collected as any delinquent assessment.

Section 6. Right of Entry. For the purpose of performing maintenance, repair and replacement, the Developer, the Association and the Committee, through their authorized agents, servants, employees, or contractors, shall have the right to enter any living unit within the property at reasonable times and after reasonable notice to perform approved and scheduled work or to ascertain whether or not provisions of The Villas of Tuscany restrictions and Rules and Regulations are being complied with.

Section 7. Acceptance of Property and Members. As development of The Villas of Tuscany progresses, the Developer from time to time may convey common areas or easement interests in limited common areas to the Association. After the conveyance, responsibility for the common areas and easement interests shall rest solely and exclusively with the Association.

Section 8. Rule Making. The Association will make, establish, promulgate, amend and repeal the Rules and Regulations for The Villas of Tuscany Association.

Section 9. Enforcement of Restrictions and Rules and Regulations. The Association will take such other action, whether or not expressly authorized by The Villas of Tuscany

Declaration, as may be reasonably necessary to enforce the Covenants and Restrictions, the Rules and Regulations and the Architectural Control Committee rules of The Villas of Tuscany community.

Section 10. Other. The Association will carry out the duties of the Association set forth in other sections of the Declaration and By-Laws.

ARTICLE VI Miscellaneous Authorized Services

Section 1. Services/Improvements at the Option of the Developer or Association. The Developer shall have the right to make such improvements and provide such facilities in or on the common area as it considers to be advantageous to the property and Members, and the Association shall be obligated to accept and maintain such improvements and facilities at its expense.

The Association, also at its expense, shall continue any services initiated by the Developer for the benefit of the property and Members.

Section 2. Procedure. All maintenance, repair and replacement work undertaken by the Association shall be subject to review by the Architectural Control Committee as provided in Article IV.

ARTICLE VII Regulatory Provision

Section 1. Permitted Uses and Restrictions. All residential living units shall be for the exclusive use and benefit of the Owners and occupants thereof. Use of such living units, common areas and limited common areas shall be subject to the following limitations and restrictions:

- A. Common Area. The common area other than the limited common area of The Villas of Tuscany community shall be improved and used only for the following purposes:
- 1) Vehicular and pedestrian access to and from and movement within the property;
 - 2) Space for temporary vehicle parking as provided herein;
 - 3) Recreational use by Owners and occupants of living units and their guests subject to the Rules and Regulations promulgated by the Association;
 - 4) Beautification of the property;
 - 5) Privacy for the Owners and occupants of living units;

6) Such other uses as shall be determined from time to time by the Association for the benefits of Members following approval from the Architectural Control Committee.

- B. Building Location. All structures shall be erected, altered, placed and permitted to remain only in accordance with approved Planned Unit Development plans, for The Villas of Tuscany PUD as amended and supplemented from time to time. Typical lots and living unit arrangements are depicted in Exhibit C.
- C. Attachments. No antennas for radio or television reception or transmissions, and no clothesline, air conditioning unit (other than the existing condenser unit) or other appliance or apparatus, laundry, bedding garment or other like item shall be placed within the common area or limited common areas or outside any residential unit.
- D. Detached Structures. No fence, storage structure, garage, satellite dish, play house, dog run, or pen or other temporary or permanent structure shall be erected or maintained on the common areas or limited common areas except with prior written approval of the Architectural Control Committee.
- E. Use. No business, trade, industry, assembly, fabrication, occupation, or profession of any kind, whether commercial, religious, educational, or otherwise, whether designated for profit, altruism, exploration or otherwise, shall be maintained, conducted or permitted in any living unit.

A home office with electronic transfer of business or professional data, but without customer visits, deliveries, visiting vehicles, noise or other visible pedestrian or vehicular traffic or activity will be permitted unless conditions arise or are present that are in conflict with the general objectives and ambiance of The Villas of Tuscany community.

F. Rental Restrictions.

1. Unit Owners are prohibited from renting their living units for two years immediately following their purchase except as hereinafter provided. The Owner or a relative of the Owner must occupy the living unit during the two-year period.
2. The purchase of a lot is deemed to have occurred on the date the Member acquires any ownership interest in the property.
3. Owner for purposes of this Section (Rental Restrictions) only is defined to include the following:
 - a) the Owner of a fee interest in the unit;
 - b) the Owner of greater than a thirty percent beneficial interest in a land trust holding title to the unit;

- c) the trustee of land trust holding title to the unit;
 - d) a mortgage which has taken possession of the unit;
 - e) a trustee in bankruptcy;
 - f) the administrator or the executor of the estate of a deceased unit owner.
4. The foregoing notwithstanding, any Owner may rent to his relative. For purposes of this Section (Rental Restrictions), relative is defined as including and limited to the Owner's spouse, parents, children, siblings, grandparents, brothers-in-law, sisters-in-law, mother-in-law, and father-in-law.
 5. Mortgagees who take possession of a unit through foreclosure, or by a deed in lieu of foreclosure, are exempt from the two-year Owner occupancy rule, but not from other rental limitation hereinafter stated.
 6. After occupancy of a living unit for two years, an Owner may rent his unit to non-relatives for a maximum of one lease period of not greater than three years. Any such lease shall also count against the one lease period allowed to any subsequent purchaser of the unit who is a relative: in other words, relatives may not avoid the one lease limitation by transferring ownership to another relative.
 7. This provision may be enforced by the Board of Directors of the Association or the Developer and violations may be remedied in any manner provided in the Declaration, the Bylaws, or by Illinois law.
 8. To avoid hardship to any Owner, the Board of Directors of the Association or the Developer may approve exceptions to these provisions. Requests for exceptions shall be made by the unit Owner in writing, stating the extent or nature of the exception requested and the reasons therefore. In considering whether to grant an exception, the Developer or the Board shall consider the extent of the hardship to the Owner and the extent to which the hardship may have been foreseen or avoidable by the Owner. Difficulty in selling the unit shall ordinarily not be, in and of itself, considered justification for granting an exception. If a unit is being administered by the executor of an estate, a receiver or trustee in bankruptcy proceeding, the two year Owner occupancy rule shall not apply during the term of the legal proceedings as long as the estate administrator, executor, receiver, or trustee makes a good faith effort to secure court approval of the sale of the unit and makes a good faith effort to sell the unit.
 9. All rent arrangements must be approved in advance by the Developer or the Board of Directors of the Association and must be documented in writing on lease forms provided by the Association. An executed copy of the lease must be provided at the time of requesting approval.

- G. Signage. No sign of any kind shall be displayed to the public view except standardized signs approved and erected by the Developer or the Association. No other For Sale or For Rent signs shall be permitted.
- H. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any living unit, common area, or limited common area so as to render such property lot or portion thereof unsanitary, unsightly offensive or detrimental to other Owners. No noxious or offensive activity shall be initiated, allowed or undertaken on any lot or in the living units, the limited common area or the common area, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. No exterior speakers, horns, whistles or bells or other sound devices shall be located, used or placed on a living unit except those required for one audible alarm attached to a complete in-house security system.
- I. Pets. No animals or birds other than a reasonable number of generally recognized house pets shall be maintained in any living unit, and then only if they are kept solely as household pets and not for commercial purposes. No pets shall be allowed to make an unreasonable amount of noise or otherwise to become a nuisance. No exterior structure for the care, housing or confinement of any pets shall be permitted. No pets shall be allowed on the common areas except as may be permitted by the Rules and Regulations of the Association. Upon the request of any Owner, the Board of Directors of the Association shall determine, in its sole discretion, whether, for the purpose of this paragraph, a particular animal or bird shall be considered a house pet or a nuisance.
- J. Parking. Because of the clustered placement of living units in The Villas of Tuscany community and because all roadways are private to the community, parking restrictions are very important and must be enforced by the Board of Directors of the Association. All Owners are encouraged to be aware of and adhere to the following:
1. Garage parking for two (2) vehicles is provided with each constructed unit. In addition, two (2) off-street automobile spaces per living unit are provided at the driveway of each unit. Additional off-street parking is provided at specially designed areas of the common area and the private roadway system.
 2. No trailers of any kind, trucks, recreational vehicles, boats or other motor vehicles are to be parked on driveways, private roadways or off-street parking areas for more than twenty-four (24) hours, unless said boat, trailer, trucks, recreational vehicle, or other motor vehicle is parked in the garage within the living unit with the garage door closed. No trailer, boat or vehicle shall be constructed, reconstructed or repaired within or on any living unit, common area (including roadways) or limited common area.
 3. Garage doors shall general be kept closed except when opened to permit the ingress or egress for vehicles.

4. Garages shall be maintained to allow the storage of two (2) automobiles. No garage shall be converted to living, storage, working or recreational space.
 5. Unit Owners' car shall regularly be parked in their respective garages and not in the driveway leading to their garages.
- K. Insurance. Each owner shall at all times keep his living unit fully insured for its current replacement costs by means of a standard homeowner's insurance policy. The policy must provide for replacement coverage with like quality construction required. Furthermore, the policy must name The Villas of Tuscany Homeowners Association as an additional insured for the purpose of providing funds in case the owner/insured neglects or refuses to rebuild or repair subsequent to fire or casualty loss. Each Owner, upon request from another Owner in the same building or the Board of Directors, shall deliver to said other Owner or the Board a certificate evidencing insurance coverage, timely payment of premium and that the policy remains in full force and effect. Each Owner of a living unit shall also procure their own liability and contents insurance coverage. No unit Owner shall permit anything to be done or kept on any lot or in any living unit which will increase the premium rate of insurance on the dwelling structure or which will result in the cancellation of insurance on the building structure, or any part thereof or which would be in violation of the law.
- L. Trash Containers and Collection. All garbage and trash shall be placed and kept in covered containers of a type and style, which shall be approved by the Association. Containers must be stored inside the living units so as to not be visible to neighboring Owners except when placed at the curb for collection by the collection contractor and then only for the shortest time reasonably necessary to effect such collection.
- M. Easements.
1. The common area shall be subject to a blanket easement for utility purposes;
 2. The lots and units within the lots shall be subject to easements:
 - (a) For utilities
 - 1) All utility easements of record;
 - (b) For Encroachments. In the event that by reason of the construction, settlement or shifting of the buildings, or the design and/or construction of any living units, any part thereof encroaches or shall thereafter encroach upon any part of any other lot or living unit, or if the ducts or the conduits serving more than one living unit encroach or shall thereafter encroach upon any part of any other living unit, valid easements for the use and maintenance of the encroachment shall be established for so long as all or any part of the building containing the same remains standing; provided

however, that in no event shall a valid easement for any encroachment be created in favor of the Owner of any unit if such encroachment occurs as a result of the willful conduct of said Owner.

Easements shall be declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of the unit, whether or not such walls lie in whole or in part within the unit boundaries.

- (c) For air conditioning units and connecting pipes, wires and cables: In any building containing more than two living units, the end (outer) lots shall be burdened and the center (inner) lots shall be benefited by an easement over that portion of the end (outer) lots located outside the foundation wall of the living unit for the purpose of installing, operating and maintaining air conditioning units and appurtenant pipes, cables and wires serving the center (inner) lots living units. The location of the air conditioning equipment shall be determined by the developer and after initial installation, any alteration thereof shall be subject to review by Architectural Control Committee

N. Maintenance and Repair.

1. Interior Maintenance and Repair. The Owner shall be responsible for the maintenance and/or repair of all of its living unit.
2. Exterior Appearance. No Owner shall change the exterior appearance of its living unit except with the prior approval of the Architectural Control Committee. All work must be performed by the Association or by a contractor approved by the Association as provided in Article IV.

O. Party Walls. All dividing walls which straddle any boundary line between Units and which stand partly upon one lot and partly upon another and all walls which serve two or more living units shall at all times be considered party walls, and each of the Owners upon which any such party wall shall stand shall have the right to use said party wall below and above the surface of the ground and along the whole length thereof for the support of said dwelling unit and for the support of any building or structures constructed to replace the same and shall have the right to maintain or replace in or on said wall any pipes, ducts or conduits originally located thereon, subject to the restrictions that follow:

1. No Owner nor any successor in interest shall have the right to extend said party wall in any manner either in length, height or thickness.
2. No Owner shall do anything to disturb the right of any other Owner to use such party wall.

3. In the event of damage or destruction by fire or other casualty of any party wall including the foundation thereof, the Owner of any unit which abuts such party wall shall have the right to repair or rebuild such wall and the Owner of such living unit which abuts such party wall shall pay his allocated portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, in a workmanlike manner, with materials comparable to those used in the original wall, and shall conform in all respects to the laws or ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall, unless the Architectural Control Committee authorizes otherwise.
4. The foregoing provisions of this article notwithstanding, the Owner of any living unit or other interested party shall retain the right to receive a larger contribution from another, or others, under any rule of law regarding liability for negligent or willful acts or omissions.

P. Obligation to Rebuild.

1. In the event of damage or destruction by fire or other casualty of any living unit or any portion thereof, the Owner or Owners from time to time of any such living unit or units, shall, within a reasonable time after such damage or destruction, repair or rebuild the same in a workmanlike manner with materials comparable to those used in the original structure and in strict conformity with all laws or ordinances regulating the construction of buildings in force at the time of repair or reconstruction. The exterior of such living units, when rebuilt, shall be substantially similar to and of the same architectural design in conformity with the exterior of adjacent or nearby dwelling structures. Plans for rebuilding shall be subject to the review and approval of the Architectural Control Committee. In the event of the total or substantial destruction of the exterior of the building, the structures to be rebuilt and the materials to be used shall be subject to approval of the Architectural Control Committee.
2. In the event that any Owner shall fail, after a reasonable time after damage or destruction referred to above, to perform the necessary repair or rebuilding, the Association, or the Owner(s) of the remainder of the building structure shall, in the manner described in this covenant be permitted to cause such repair or rebuilding to be done by a contractor approved by the Association or the Architectural Control Committee. The entity performing the work shall have a continuing lien on that living unit on which any repairs or rebuilding are caused to be made in the aggregate amount of the following:
 - (a) The cost of such repairs or rebuilding;

- (b) Interest on the cost of repairs or rebuilding at the rate of twelve percent (12%) per annum; and
- (c) Reasonable attorney's fees and any court costs or other expenses or charges incurred in connection with the repairs or rebuilding.

The continuing lien shall bind the Owner of the repaired or rebuilt unit, his heirs, devisees, personal representatives, grantees, and any assigns. Further, in the event such Owner does not make prompt payment in the full amount of such claim, the Owner(s) so repairing or rebuilding shall have the right to foreclose such lien as permitted by Illinois law. The lien of such entity described in this subsection shall be subordinate to the lien of any prior trust deed, mortgage, or mortgages now or hereafter placed upon the dwelling parcel prior to such repair or rebuilding.

Q. Common Obligations and Expenses

1. Utility Maintenance Responsibility:

(a) Water. A separate private water service shall be provided and maintained from a public main to each living unit. The lot Owner will be responsible for maintenance of the separate private water service.

(b) Sanitary Sewer & Common Tile System.

1. Maintenance of the utility within any living unit shall be the responsibility of the lot Owner.
2. Maintenance outside any living unit to the public sanitary sewer, the common footing tile system or public storm sewer shall be the responsibility of the living unit's Owner.
3. Other Situations. Maintenance responsibility shall be as established at the time of initial installation or as the Owners of all the living units in a dwelling structure agree.

R. Enforceability of Covenants. In the event that a unit Owner fails to perform any obligations set forth in this Article, the remaining unit Owner(s) in the same dwelling structure and/or the Board of Directors of the Association may take action to enforce such obligation in the following manner:

1. Written notice shall be given to such alleged defaulting lot Owner setting forth the alleged violation of the Covenants and Restrictions.
2. If the alleged defaulting lot Owner has not taken steps to correct such default or if such lot Owner has failed to make any response thereto, setting forth valid reasons

for his action or omission to act, then and in such event, the Association or the remaining dwelling lot Owner (s) in such dwelling structure may take action to remedy such alleged defaults and recover the costs thereof as provided elsewhere in these Covenants. If the alleged default is of a nature to require more prompt action, the notice period may be shortened to not less than five (5) days, provided the notice is personally delivered and the time so specified.

3. Notice hereunder shall be given in the manner provided in Article VIII. Sec. 2.
4. In the event any work is performed or caused to be performed by the Association or a unit Owner upon another Owner's unit pursuant to the terms of this Article, and the failure of the Owner to perform as required hereunder, the entity contracting for the performance of any such work shall keep and maintain written records, invoices, and the like with respect to the cost of any materials labor or the like used in making such repair work and shall provide to the defaulting unit Owner a copy of all such data and written evidence of the payment thereof, for which reimbursement is sought. Further, the entity performing or contracting for the performance of such remedial work shall be entitled to reimbursement therefore as provided in these Covenants.
5. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain the violation or to recover damages.
6. Units owned by the Developer shall be exempt from the obligations, responsibilities, dues, fees, assessments and other obligations of this Article.

ARTICLE VIII General Provisions.

Section 1. Duration The Covenants and Restrictions set forth in this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association, and the Owners of any unit subject to this Declaration, their respective successors, assigns, heirs, executors, administrators, and personal representative, for a period of twenty five (25) years from the date this Declaration is recorded in the office of the McLean County Recorder of Deeds, at the end of which period such Covenants and Restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds of the lot Owners at the time of the expiration of the initial period, or of any extension period shall sign and record an instrument, or instruments, in which they shall agree upon to change said Covenants and Restrictions in whole or in part.

Section 2. Notice. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed by regular post, with postage prepaid, addressed to the Owner at the last known post office address of the person who appears as an Owner on the records of the Association or in the alternative the unit address at the time of such mailing. Notice to one of two or more co-owners

of a unit or living unit shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary of the Association in writing of any change of address.

Notice for the Association should be addressed to P.O. Box 889, Bloomington, Illinois, 61702.

Section 3. Amendment. These Covenants may be amended by the agreement of the following:

- A. The Developer, provided it owns any part of the property; or
- B. The Developer and two-thirds (2/3) of the lot Owners after 120 lots have been sold; or
- C. Two-thirds (2/3) of the unit Owners after the Developer owns none of the property.

Any amendment shall be in writing and made of record by recording a copy thereof in the office of the McLean County Recorder of Deeds.

Section 4. Enforcement. Enforcement of these Covenants and Restrictions shall be by any appropriate proceeding in law or equity against any person or persons, firm or corporation violating or attempting to violate or circumvent any such Covenant or Restriction brought in the Circuit Court of McLean County, Illinois. Such suit may seek an injunction to prevent such violation or threatened violation or may seek to recover damages, or may seek to enforce any lien created by this Declaration in any covenant herein contained, or may take any other form authorized by law. Failure by the Association or any Owner or Member to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppels of the right to thereafter enforce the same.

Section 5. Severability. Should any Covenant or restriction herein contained, or any Article, Section, Sub-section, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

IN WITNESS WHEREOF, Brady Residential Community has caused this instrument to be executed the day and year first above written.

BRADY RESIDENTIAL COMMUNITY

By: _____
William E. Brady

Its: President

BY-LAWS OF
THE VILLAS OF TUSCANY HOMEOWNERS ASSOCIATION

ARTICLE I
DEFINITIONS

SECTION 1.1 THE VILLAS OF TUSCANY RESTRICTIONS

The term "The Villas of Tuscany Restrictions" shall mean the covenants and restrictions set for in that certain Declaration entitled "DECLARATION OF COVENANTS AND RESTRICTIONS OF THE VILLAS OF TUSCANY HOMEOWNERS ASSOCIATION" pertaining to Phase I of The Villas of Tuscany, a residential community. The Declaration is recorded or to be recorded in the McLean County Records office, McLean County, Illinois and references thereto shall be to such Restrictions as amended from time to time, or supplemented or modified in connection with the annexation of property to The Villas of Tuscany.

SECTION 1.2 OTHER TERMS

Other terms used herein shall have the definitions and meanings, if any, given them in Article I of The Villas of Tuscany Covenants and Restrictions.

ARTICLE II
MEMBERS

SECTION 2.1 QUALIFICATION

Each Owner, by virtue of being an Owner and for so long as he or she is an Owner, shall be a Member of the Association, and a Member of any successor unincorporated Association. The Membership of an Owner shall not be transferred, pledged or alienated in any way except upon transfer of the Owner's ownership interest in the Owner's residential property and then only to the transferee of Owner's ownership interest in the such property. Any attempt to make a prohibited transfer shall be void. Developer, for so long as it owns one or more parcels of residential property in the Villas of Tuscany (including annexed areas) shall be an Owner.

- A. **PROOF.** No person shall exercise the rights of Membership until satisfactory proof has been furnished to the Board of Directors that he or she is an Owner. Such proof may consist of a copy of a duly executed and acknowledged grant deed, or a title insurance policy showing said person to be the Owner of residential property within The Villas of Tuscany, or such documentary or other proof as the Board in its discretion shall deem to be satisfactory. The decision of

the Board as to eligibility for Membership shall be final and conclusive for all purpose.

- B. CERTIFICATES. The Board may provide for the issuance of certificates in such form as it shall determine, evidencing Membership in the Association. Such certificates shall be consecutively numbered and shall contain the name and address of the Member. The date of issuance of the certificate shall be entered in the records of the Association by the Secretary. If any certificate is lost, damaged or destroyed, a new certificate may be issued upon such terms and conditions as the Board may direct.

SECTION 2.2 VOTING

Voting rights in the Association shall be exercised by Members as follows:

- A. VOTING RIGHTS. At any meeting of the Members, or at any election, each Member shall have such rights and shall be entitled to cast the number of votes to which he or she is entitled under The Villas of Tuscany Restrictions
- B. PROXIES. Subject to The Villas of Tuscany Restrictions, any Member may attend and vote at meetings and elections, or may vote by a proxy holder duly appointed by a written proxy signed by the Member and filed with the Secretary of the Association. A proxy shall be for a term not to exceed eleven months unless otherwise expressly provided therein, and may be revoked at any time by written notice to the Secretary. A proxy shall be deemed revoked when the Secretary receives actual notice of the death or judicially declared incompetence of such Member, or of the termination of such Member's status as an Owner. Where two or more persons have ownership interests in a residential property, any proxy with respect to the vote applicable to such property shall be signed by all such persons.

SECTION 2.3 MEETINGS AND QUORUM

- A. ANNUAL MEETINGS. There shall be an annual meeting of the Members in February each year at the offices of the Association at The Villas of Tuscany, or at such other reasonably convenient time not more than thirty days before or after such date, and at such other place reasonably accessible to the Members, as may be designated by the Board by notice delivered to the Members not less than ten days nor more than sixty days prior to the date fixed for such meeting. The first annual meeting shall be held within 180 days after the date of the initial conveyance by Developer to a public purchaser of a residential lot and living unit in Phase I. The time and place of such first annual meeting shall be determined as provided above.

- B. SPECIAL MEETINGS. Following the holding of the first annual meeting as provided in this Section, special meetings of the Members may be called at any time to consider matters which, by the terms of the articles, these by-laws of the Villas of Tuscany Restrictions, require the approval of all or some of the Members, or for any other reasonable purpose. Special meetings shall be held at a place reasonably accessible to the Members, and at reasonably convenient time, and shall be called by written notice, signed either by a majority of the Board or by Members having one-third of the total votes in the Association, and delivered to the Members not less than ten days nor more than sixty days prior to the date fixed for such meeting. The notice shall specify the date, time and place of the meeting and the matters which will be considered.
- C. QUORUM. The presence at any meeting, in person or by proxy, of Members having a majority of the total votes in the Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present may adjourn the meeting to a time not less than forty-eight hours nor more than thirty days from the time the original meeting was called. At the subsequent meeting, the presence of Members having one-third of the total vote in the Association shall constitute a quorum.
- D. MAJORITY. Unless otherwise expressly provided herein or as required by law, any action may be taken at any meeting of the Members upon the affirmative vote of a majority of total votes present.

SECTION 2.4 ELECTIONS

Following the holding of the first annual meeting of the Members, as provided in Section 2.3 above, any matter or issue requiring the vote of the Members of the Association, including the election of directors, may be submitted for vote by written ballot without a meeting, and shall constitute an election. The determination to resolve an issue by election shall be made by the Board by a resolution which shall specify the date for voting (which in no event shall be sooner than thirty days nor more than six days after the date of such resolution), the form of the ballot and the form of the proxy card. Within fifteen days after adoption of the resolution, a full and complete copy thereof shall be sent to every Member of the Association at the address of such Member on the Association books.

- A. BALLOTING. Balloting at any such election may be conducted by mail or by the deposit of ballots at fixed polling places. In the latter case, the Board shall designate one or more such polling places within the boundaries of The Villas of Tuscany, where Members may cast their votes. The Board shall notify the Members of the locations of such polling places at least fifteen days prior to the election.
- B. CONDUCT OF ELECTIONS. Conduct of an election shall be in accordance with procedures established from time to time by the Board which is authorized (i) to retain the services of such persons and entities as it may deem necessary to assist in

establishing election procedures and supervising and controlling elections, and (ii) to make reasonable expenditures in connection therewith.

- C. PROXIES. At any such election, voting by proxy will be allowed, but each proxy card shall be filed with the Secretary of the Association at least five days prior to the date of the election. The Board may make such provisions as it may consider necessary or desirable for absentee ballot.
- D. QUORUM. A quorum shall be deemed to have been present for purposes of an election held pursuant to this Section if the majority of the total number of eligible votes is cast in any such election. The reduced quorum provisions of Section 2.3 shall not apply to elections held under this Section.
- E. RESULTS. After tabulation of the ballots, the Board shall notify the entire Membership of the Association, by posting of notices or other similar method, of the outcome of the election. If insufficient votes were cast to constitute a quorum, the Board shall so certify, and the election shall be of no effect.

ARTICLE III BOARD OF DIRECTORS

SECTION 3.1 CORPORATE POWERS

The corporate powers of the Association shall be vested in, exercised by, and under the authority of, and the affairs of the Association shall be controlled by, a Board of Directors consisting initially of three (3) appointed and later five (5) elected persons, which shall have the exclusive right and responsibility to perform the duties and obligations and to exercise the powers and authority of the Association as set forth in the Articles of Incorporation and these By-Laws and The Villas of Tuscany Restrictions.

SECTION 3.2 QUALIFICATION AND ELECTION

- A. QUALIFICATIONS. Those directors serving as such at the time of the required election of directors shall resign effective upon election of their successors, and thereafter each Member of the Board of Directors shall be elected as provided in paragraph B below. Each director, including those serving by appointment, shall be an Owner (or the designated representative of Developer while Developer is an Owner) at the time of his or her election.
- B. ELECTION OF DIRECTORS. At each Annual Meeting after the Developer no longer appoints the Board of Directors, the Members shall elect the Board of Directors for the forthcoming year. Cumulative voting is not permitted. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be deemed elected.

- C. TERMS. At the first Annual Meeting after the Developer no longer appoints the Board of Directors, five (5) Directors shall be elected by the Member, two (2) Directors for a term of two (2) years and three (3) Directors for a term of one (1) year. At each Annual Meeting thereafter, the Members of the Association shall elect a number of Directors whose terms are expiring. Each Director shall serve for a term of two (2) years or until their respective successors are elected. Any Director may resign at any time by giving written notice to the President or Secretary, and any person may be removed as a Director by a vote of the Members; provided, however, that unless the entire Board of Directors is removed, an individual shall not be removed if the number of votes cast against his or her removal exceeds twenty percent of the total votes cast. A Director (other than representatives of Developer) shall be deemed to have resigned, effective immediately, upon the termination of his or her membership in the Association.
- D. VACANCIES. Vacancies on the Board of Directors shall be filled by a majority of the remaining directors though less than a quorum, and each Director so elected shall hold office until his or her successor is elected by the Members.

SECTION 3.3 MEETINGS

An annual organization meeting of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the Members.

- A. REGULAR MEETINGS. At each annual organization meeting, the Board of Directors shall adopt a schedule of its other regular meetings be held during the forthcoming year. No notice shall be required for regular meetings so scheduled.
- B. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the President or by any two (2) directors. Written notice of the time and place of special meetings shall be given to each director at least twenty-four hours prior to the holding of the meeting.
- C. QUORUM. Two Directors shall constitute a quorum of the Board, and if a quorum is present, the decision of a majority of those present shall be the acts of such Board. The Board of Directors also may act without a meeting if all the Directors consent in writing to such action, and such written consent shall be filed with the minutes of the proceeding meeting.

SECTION 3.4 BOOKS AND RECORDS

The Board shall cause to be maintained, in a manner consistent with generally accepted accounting principles, a full set of books and records showing the financial condition of the Association.

ARTICLE IV OFFICERS

SECTION 4.1 OFFICERS

The officers of the Association shall be: a President, a Vice-President, a Secretary and a Treasurer. The Association also may have, at the discretion of the Board, one or more Assistant Secretaries or Assistant Treasurers and such other officers as may be appointed in accordance with the provisions of Section 4.3. The President and Vice-President must be Members of the Board of Directors, but the other officers need not be. All officers, other than those appointed pursuant to Section 4.3 hereof, shall be Owners (or representatives of Developer). One person may hold two or more offices, except that the offices of President and Secretary shall not be held by the same person.

SECTION 4.2 ELECTION

The officers of the Association, except such officers as may be appointed in accordance with the provisions of Sections 4.3 or 4.5, shall be chosen annually by the Board, and each shall hold office until his or her resignation, removal or disqualification to serve, or until a successor is elected and qualified.

SECTION 4.3 SUBORDINATE OFFICERS

The Board may appoint, or may empower the President to appoint, such other officers as the affairs of the Association may require (including the Assistant Secretaries and Assistant Treasurers mentioned in Section 4.1), each of whom shall hold office for such period, have such authority and perform such duties as provided in the by-laws or as the Board of Directors may determine from time to time.

SECTION 4.4 REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the Board of Directors, or by any officer upon whom such power of removal may be conferred by such Board; except that only the Board of Directors shall remove an officer chosen by such Board. Any officer may resign at any time by giving a written notice to the Board of Directors, the President or the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time as specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. An officer who is required hereunder to be an Owner shall be deemed to have resigned, effective immediately upon the termination of ownership, without need of acceptance.

SECTION 4.5 VACANCIES

A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled for the remainder of the term by the Board in the manner prescribed in the by-laws for regular appointments to such office.

SECTION 4.6

DUTIES OF OFFICERS

- A. **PRESIDENT.** The President shall be elected by the Board from among the Directors. The President shall be the chief executive officer of the Association and, subject to the control of the Board, shall have general supervision, direction and control of the affairs and officers of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board, and shall have the general powers and duties of management usually vested in the office of President of a corporation, along with such other powers and duties as may be prescribed by the Board of Directors or the by-laws.
- B. **VICE-PRESIDENT.** The Vice-President shall be elected by the Board from among the Directors. In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions applicable to the President. The Vice-President shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or the by-laws.
- C. **SECRETARY.** The Secretary shall be elected by the Board, but need not be a Director. The Secretary shall keep or cause to be kept, at the principal office of the Association or such other place as the Board may order, a book of minutes of all meetings of Directors and Members, including (without limitation) the time and place of holding, whether regular or special and, if a special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of Members meeting, and the proceedings thereof. The Secretary shall keep appropriate current records showing all Members of the Association and their addresses, and shall give notice of all meetings of the Members and of the Board of Directors as required by the by-laws or by law. The Secretary shall keep the Seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the by-laws.
- D. **TREASURER.** The treasurer shall be elected by the Board, but need not be a Director. The Treasurer shall keep and maintain adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements. The books of account at all reasonable times shall be open to inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositaries as may be designated by the Board. The Treasurer shall disburse funds of the Association as may be ordered by the Board and shall render to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Association. The Treasurer shall have such other powers and perform such other as may be prescribed by the Board of Directors or the by-laws.

ARTICLE V
COMMITTEES

SECTION 5.1 DIRECTORS' COMMITTEES

The Board of Directors, by resolution adopted by a majority of directors in office, may designate one or more committees, each of which shall consist of two or more Directors. To the extent provided in its adopting resolution, each such committee shall have and exercise the authority of the Board in the management of the Association, but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed by law.

SECTION 5.2 OTHER COMMITTEES

Other committees not having the authority of the Board in the management of the Association may be designated by the majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in its adopting resolution, the President shall appoint the Members of each such committee, and they shall be Members of the Association. Any committee Members may be removed whenever those authorized to appoint such Member may deem removal to be in the best interests of the Association.

SECTION 5.3 ARCHITECTURAL CONTROL COMMITTEE

The Architectural Control Committee created by The Villas of Tuscany Restrictions will be established at the time of conveyance of the first public lot purchase and function thereafter as prescribed by The Villas of Tuscany Restrictions.

ARTICLE VI
MISCELLANEOUS

SECTION 6.1 MANAGER

The Board of Directors may employ the services of a Manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of Illinois, the Board may delegate to the Manager any of its powers and duties under the articles and these by-laws.

SECTION 6.2 CORPORATE SEAL

The Association shall have a Seal, circular in form, having within its circumference the words "THE VILLAS OF TUSCANY HOMEOWNERS ASSOCIATION, Incorporated 2005 State of Illinois."

SECTION 6.3

AMENDMENT OF BY-LAWS

By-laws may be adopted, amended or repealed by the Members by the affirmative vote of 51% of the total votes cast in person or by proxy at any election or a meeting of the Members; provided, however, that "Qualifications" provisions of Section 2.1 and Sections 3.1 and 3.2, shall not be amended or repealed without the affirmative vote or written consent of Members holding not less than 51% of the total voting power of the Association.

SECTION 6.4

NOTICES

Any notice required to be sent to any Owner under the provisions of these By-laws Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed by regular post, with postage prepaid, addressed to the Owner at the last known post office address of the person who appears as an Owner on the records of the Association or the unit address in the alternative at the time of such mailing. Notice to one or two or more co-owners of a unit or living unit shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary of the Association in writing of any change of address.

SECTION 6.5

CONSENT TO WAIVER OF NOTICE

Transactions at any meeting of the Members or of the Board, however, called or noticed, shall be as valid as though they had a meeting duly held after regular call and notice, if a quorum is present and if (either before or after the meeting) each Member not present in person or by proxy at a meeting of the Members, or each Director not present at a meeting of the Board of Directors, signs a written waiver of notice, a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association and made a part of the minutes of the meeting.

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of the corporation known as THE VILLAS OF TUSCANY HOMEOWNERS ASSOCIATION, does hereby certify that the foregoing By-laws were duly adopted by the Board of Directors of such Association on this _____ day of _____, 2005 and that they now constitute such By-laws.

Secretary

RULES AND REGULATIONS

(Preliminary)

FOR

THE VILLAS OF TUSCANY

HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS

PREAMBLE: These rules are initially promulgated by the Developer of The Villas of Tuscany, to be further detailed and refined by the Board of Directors of The Villas of Tuscany Homeowners Association for the day to day governance of The Villas of Tuscany community pursuant to authority granted by the Articles of Incorporation and the By-laws of the Association, and by the Declaration of Covenants and Restrictions, as amended for The Villas of Tuscany, copies of which have been issued to each Owner of record of a unit.

These rules are intended to enhance and to aid in the maintenance, control and preservation of The Villas of Tuscany for the benefit of all Members. Each Member has an important personal interest in the rules and, in consequence, is urged to express fully and completely to the Board of Directors of the Association every suggestion which the Member believes will assist the Board in its work.

All members are asked to support these Rules and Regulations in order that the community will be a more attractive and harmonious place to live.

I. Personal Property

All outdoor-type personal property, such as lawn chairs, bicycles, tables, grills and brushes, must be kept inside the patio area, the porch areas or in the garage.

No objects or equipment may be hung, affixed or displayed, including signs, awnings, canopies, shutters, antennae or satellite dishes or any other device or ornament, to the exterior walls, doors, or roof of a unit without prior approval of the Architectural Control Committee. (See Covenants Article VII, section 1, (C, D))

II. Decorative Items

A. Decorations

Display of any of the following items on exterior walls or the common areas is not permitted:

- * Window stickers
- * Stepping stones
- * Wreaths (door or wall)
- * Bird feeder or bird baths (tree-hanging or freestanding)
- * Flower/plant pots
- * Garden hose hangers
- * Ground/landscape lights
- * Wall plaques
- * Wind socks/wind chimes/decorative flags

B. Holiday Decorations

Christmas lights and decorations are permitted to be placed in the Common Area, and on Member unit's exterior provided the decorations do not cause damage to the common area and/or the unit's exterior components. Holiday decorations may not be displayed before Thanksgiving Day, and must be removed no later than January 7th of the following year. Decorations for other holidays are also permitted but they may not be displayed more than one week before and one week after the holiday.

C. The American Flag

The American Flag may be flown or displayed within the limited common area of any unit at anytime following normal flag protocol.

III. Flowers/Landscape Plants

A. Flowers

Flowers or plants may be planted inside the limited common area of a typical unit. Only flowers or plants which will not exceed 3'-0" in height shall be used. Maintenance of the flowers or plants is the responsibility of the resident and all non-growing plant material is to be removed on a regular basis during the growing season. Annuals which are not maintained during the growing season will be removed by the grounds keeper and the cost for removal will be billed to the resident.

IV. Prohibited Items

The following items will be strictly prohibited in the common area or the limited common areas of the community:

- Any type of yard sign
- Statue, statuette, yard or lawn ornament
- Artificial flowers
- Ornamental rocks or stones
- Swing Sets, or other yard equipment
- Mounted hose reels
- Basketball goals
- Laundry poles or clotheslines or other such items. Laundry may not be hung over any patio fence (swimsuits, towels, rugs, etc., included).

V. Exterior Alterations

A. Conversion to Four Season Porch

After approval by the Architectural Control Committee, a frame, brick and glass enclosure for a screened porch may be installed at the unit Owner's expense to convert to a Four Seasons room or porch. Copies of the design and specifications are available at the developer's office.

B. Storm Doors

Storm doors may be added at the unit Owner's expense using only the approved design and color. Specific information about approved storm doors may be obtained from the Developer's office.

VI. Windows and Window Coverings

All windows coverings, whether draperies, blinds (vertical or horizontal) or exposed valances must be white, off-white, light beige or light gray on the exterior side.

VII. Animals

A reasonable number of household domestic pets, not bred or maintained for commercial purposes, may be kept in any unit. The full-grown weight of the pet shall not exceed fifty (50 pounds).

All pets, when outdoors, shall be maintained on a leash not more than twelve (12) feet in length. They shall be supervised by a responsible individual at all times. Such individuals shall be responsible for the immediate cleanup of all pet litter.

No pet shall be tethered outside in the common area or the limited common area.

VIII. Vehicles

No vehicle shall be parked in any manner which blocks any street or driveway, or the ingress/egress to any garage other than the Owners. The speed limit within the community is 15 m.p.h. Reckless operation, excessive speed, and parking or driving on the lawn areas is prohibited.

IX. Trash Collection

Trash Collection requires the trash containers not be set out prior to 5:00 p.m. the day preceding collection, and the containers must be picked up and put away by 9:00 p.m. the day of collection. Only trash containers with lids are permitted for trash disposal. All trash shall be stored in rigid or plastic containers when placed outside for pickup.

All trash for collection must be set at the curb at the end of the driveway. Trash containers, when not out for collection, must be kept inside the garage. Unit Owners are responsible for clean up of trash spillage from the containers.

X. Solicitation and Garage Sales

Solicitation by any person or organization is not permitted within the community. Similarly, due to restricted parking, garage sales and tag sales are specifically prohibited, unless approved and sponsored by The Villas of Tuscany Homeowners Association as a planned community activity.

XI. Unit Sales

An Owner who intends to sell his unit is responsible for advising the Association manager of the coming ownership change and the approximate closing date.

THE VILLAS OF TUSCANY HOMEOWNERS ASSOCIATION

DELINQUENCY POLICY

The following is a step by step schedule of The Villas of Tuscany Homeowners Association Assessment Delinquency Policy as provided for in The Villas of Tuscany Covenants and Restrictions.

- 1) Monthly installments of the Annual Assessment (assessments) are due on the 1st day of Every month.
- 2) Assessments become delinquent 15 days after the due date i.e. the 15th day of the month in which the assessment is due.
- 3) Delinquent assessments will incur a late fee of \$20.00 per month until paid.

The late fee will be reversed if remittance of the past due amount is received with a postmark within the month for which it was due.

- 4) Delinquent assessments will incur a continuing interest penalty of twelve (12%) per year from the due date when they remain delinquent on the last day of the month when due. The 12% interest penalty will continue to accrue until payment is received.
- 5) Notice of Intent to Lien is sent when an account is three (3) months delinquent.
- 6) A Lien is filed by the Association ten (10) days from the date of notice.
- 7) The Association will file for foreclosure 30 days from the date the Lien is recorded.
- 8) All fees for processing collection of a delinquency, including attorney fees, are additional charges against the account and part of the delinquency charges.
- 9) Partial payments will not be accepted after an account becomes two (2) months delinquent.
- 10) Any requests for exceptions to this policy must be made in writing to the Board of Directors of the Association. The Board of Directors determination is final.