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Lynda M. Quinn
RECODER

AMENDMENT
to the
BY-LAWS
of

MALLARD LAKE NORTH ASSOCIATION
ST. CHARLES, ILLINOIS

This Amendment to the by-laws of Mallard Lake North Association, as provided for in "ARTICLE IX" of the original "By-Laws of Mallard Lake North Property Owners Association" document dated March 1971, is made on this 19th day of July 1999, by Mallard Lake North Association, an Illinois Not-For-Profit Corporation (hereinafter referred to as "MLNA").

WITNESSETH:

Whereas, MLNA is the recorded governing body of the residential subdivision Property described as follows:

Owner's Subdivision Mallard Lake North a subdivision of part of the Fractional Half of Section 7, Township 40 North, Range 8 East of the Third Principal Meridian and part of the North East Quarter of Section 12, Township 40 North, Range 7 East of the Third Principal Meridian, Kane County, Illinois.

Whereas, the Property consists of residential lots and common areas; and

Whereas, MLNA is desirous of subjecting the Property to the by-law modifications and by-law additions (sometimes hereinafter collectively referred to as the "Amendment" or "Covenants") hereinafter set forth in addition to the Covenants set forth in Document 1185013 dated December 8, 1970 and recorded March 9, 1971, Kane County, Illinois (hereinafter referred to as Document 1185013); and

Whereas, MLNA is desirous of establishing uniform and fair building restrictions upon the use and occupancy of the aforesaid real estate; and

Whereas, these Covenants, each and all of which is and are for the benefit of the Property and for each Owner thereof, and shall inure to the benefit of and pass with the Property, and each and every parcel thereof, and shall apply to and bind the successors in interest, and any Owner thereof;

Now, therefore, MLNA hereby declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the Covenants hereinafter set forth in addition

to the restrictions placed upon said Property by the Zoning Ordinances and Building Codes of Kane County, Illinois.

Article I

Definitions

Section 1. Owners and Membership.

Every Owner of a lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot, except as specifically provided for elsewhere in this document, and ownership of a lot shall be the sole qualification for membership. Owners shall mean or refer to the record owner, whether one or more persons, individuals or entities, of the fee simple title to any lot which is part of the Property including contract purchases, but excluding those having such interest merely as security for the performance of an obligation. If an owner is a corporation, partnership, trust or other legal entity other than in the natural individual, then any officer, director or other designated agent of such corporation, partnership or beneficiary or other designated agent of such trust or manager of such other legal entity shall be deemed the Owner and entitled to run for the Board.

Section 2. Single Family Dwelling

A single family dwelling is defined as a house, occupied by one or more persons, each related to each other by blood, marriage or legal adoption ; or a group of not more than three persons not all related; maintaining a common household.

Section 3. Common Area

Common Area is defined as that area included in the plat of the Owners Subdivision as herein described as "Owner's Subdivision Mallard Lake North a subdivision of part of the Fractional Half of Section 7, Township 40 North, Range 8 East of the Third Principal Meridian and part of the North East Quarter of Section 12, Township 40 North, Range 7 East of the Third Principal Meridian, Kane County, Illinois." that is not a designated Owners lot or township maintained roadway.

Article II

General Purposes of this Amendment

The property is subjected to the covenants hereby declared to insure the proper use and appropriate development of the Property and every part thereof; protect the Owners of the Property therein against such improper use of the residential 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 and secure the construction of attractive improvements thereon, with appropriate locations thereof; to prevent haphazard and inharmonious improvements, and in general to provide adequately for a residential subdivision of the highest quality and character and the preservation of natural resources and the environment.

Article II

General Restrictions

Section 1. The residential lots of MLNA in Kane County shall be used for private residence purposes only, except as specifically authorized elsewhere in this Amendment. The private residence shall be designed, constructed, equipped, maintained, reconstructed, altered and permitted to remain only as a single family dwelling, designed by a licensed architect and professionally built in accordance with the building codes of Kane County, Illinois and with the specific written approval of the Architectural Review Committee (ARC) for MLNA. No more than one single family dwelling shall be maintained on any one lot at the same time.

The private residences shall be designed and built with an attached garage for the storage of a maximum of four vehicles subject to the setback and square footage restrictions outlined in Article II, Section 4 of this amendment and Sections 1. and 2. of Covenants of Owner's Subdivision Mallard Lake North (dated December 8, 1970 and recorded as Document 1185013 on March 9, 1971, Kane County, Illinois). All storage areas, facilities and buildings are subject to the specific written approval of the ARC of MLNA (As defined in Articles VI and VII of this Amendment).

Section 2. In order to provide for a residential community of the highest quality and character, the owners of the individual lots of MLNA and their contractors are responsible for minimizing the negative impact on the environment and the overall preservation of the natural beauty. To assist in the accomplishment of this objective, the following is hereby declared:

Prior to clearing a portion of the lot for the construction of a home or other improvements on the residential lots, the owner and/or his contractor shall submit a Lot Development Plan to the ARC for the ARC's approval prior to said clearing.

Section 3. Antennas for the reception of television signals are permitted including satellite dishes not to exceed eighteen inches(18")in diameter. Antennas designed for commercial purposes, including those designed for the reception or transmission of cellular communication signals, are prohibited on any residential lot or common area of MLNA. All other antennas or similar structures must have prior approval of the ARC.

Section 4. Other than a driveway, walk, mailbox and landscaping; no improvements, residence or outbuilding shall be constructed nearer than forty feet (40') from any front, rear or side lot line.

Section 5. It shall be the responsibility of each lot Owner to properly landscape and maintain the lot in accordance with the following:

A. After the construction of a residence, each lot Owner is required to landscape the disturbed areas of the lot that are visible from the street as soon as reasonably possible after an occupancy permit has been issued.

B. The lot Owner is required to keep the lot clear of refuse and debris before, during and after the construction of the residence on the lot.

Section 6. No lines or wires for communication or the transmission of electric current or power shall be constructed, placed or permitted anywhere within MLNA, other than within buildings or structures or attached to their walls, unless the same shall be contained in conduits or cables and provided said conduits or cables are placed and maintained underground.

Temporary electric service lines may be placed above ground during construction and must be removed within three months of occupancy.

Section 7. Except as provided herein, no signs of any kind shall be displayed on any lot except for one (1) sign not to exceed nine (9) square feet to advertise the property for sale. MLNA may grant specific exceptions to builders of homes at MLNA. Said exceptions shall be in writing and shall specify the size of the sign and the condition of the sign and the time period during which the sign shall be displayed on the specific lot. Signs promoting candidates for political office or political issues may not exceed six (6) square feet and shall be removed on the day following said election.

All signs shall be maintained in good condition and shall be removed at such time as their purpose has been satisfied.

Section 8. No boat, airplane, trailer, truck, housetrailer, snowmobile, recreational vehicle or commercial vehicle shall be stored for no longer than thirty (30) days outside of an enclosed garage without adequate landscape screening. Owners may request that the ARC grant an exception. All exceptions must be in writing and shall set out the specific vehicle for which the exception is granted, the time period of the exception and the required screening provisions that the owner is to adopt.

Parking of vehicles on any other portion of the lot other than the garage or driveway shall be authorized only by a specific exception granted by the ARC in conformance with the preceding paragraph.

As used herein, the term "commercial vehicles" shall include, without limitation, all automobiles, station wagons, vans, trucks, trailers or vehicular equipment bearing signs or which have printed thereon a reference to any commercial activity or which contain commercial equipment open to public view.

Section 9. All new fences, or modifications to existing fences, require the prior written approval of the ARC.

Section 10. No dumping of any materials shall be permitted on the individual lots or common areas including effluent discharge from septic systems, except MLNA may designate specific locations for the deposit of surplus soil from the individual lots.

Section 11. All construction equipment shall be loaded or unloaded within the boundary lines of the lot on which it is performing work. Any damage to public improvements, neighboring lots, or Common Areas by construction equipment or related employees shall be the responsibility of the lot owner(s) on which the work is being performed.

Section 12. No temporary structure of any type shall be permitted without the prior written approval of the ARC.

Section 13. Swimming pools, above or below ground are permitted only at the rear of any residential lot and not adjacent to the street with the prior written consent of the ARC. Plans for safety fencing, as proposed or as required by law, will be reviewed as provided in Article II, Section 9.

Section 14. The repair or maintenance of any motorized vehicles shall be permitted for a maximum of 48 hours outside the confines of a garage.

Section 15. No animals, other than common domestic household pets such as dogs and cats, shall be kept in any lot. Horses are permitted subject to the restrictions outlined in Document 1185013. Animals considered wild, exotic, dangerous or endangered shall not be kept on any lot and as prohibited by County, State or Federal laws. A maximum of two (2) dogs and/or cats are permitted on any lot. The breeding or keeping of any animals, including dogs or cats for sale or profit is expressly prohibited. All dogs and cats shall be confined to the lot at all times and not permitted unrestricted access to other lots or Common Areas. Owners of these common household pets are responsible for all damages to persons, other lots or common areas which may be caused by these pets running at large. Owners of these pets are responsible to insure that noise or excessive barking created by their dogs at any time will be controlled so

as not to create a nuisance or annoyance to any residents of MLNA. Construction of kennels, dog runs or other retaining fencing or structures shall be subject to prior approval of the ARC.

Section 16. No owner shall permit anything to be done or kept on his lot or in the Common Area which will increase the rate charged for or cause the cancellation of any insurance obtained by MLNA on the Common Improvements or contents thereof, of which would be in violation of any law, nor shall any waste be committed in the Common Area.

Section 17. No owner may construct or install a boat or swimming dock, pier or any structure at the lake shore and/or in the lake.

Section 18. Drain pipes or tiles that lead directly into, or that are located near enough to the lake to allow direct or indirect discharge into the lake are permitted only for the discharge or redirection of naturally occurring ground or rain water.

Article III

Use of MLNA Common Area (hereinafter referred to as the "Lake")

The Common Area of MLNA including the Lake commonly known as Mallard Lake including the beach and picnic area is subject to the following rules and regulations:

Section 1. Each Member of MLNA shall have the right to enter upon and use the area designated as the Lake and surrounding Common Area and lake access easements. Guests of MLNA members are permitted access to the Lake and Common Area only when accompanied by a Member.

A Member may have up to fifteen (15) guests at one time at the Lake. Any Member wishing to have in excess of fifteen (15) guests at the Lake must notify the MLNA President at least one week in advance of the event. Members are responsible for the actions of their guests and any damage that may be caused by that Member or Members guests to the Common area.

Members and their guests are responsible for removing to the Members home all refuse left as a result of the event or activity. Members who do not comply with this rule will be subject to a fine of one hundred fifty dollars (\$150.00) payable to MLNA to cover the cost of cleanup. This fine is due and payable to the MLNA within 30 days following notification of the member of said violation and fine. After 30 days the fine shall be delinquent and subject to the lien procedure outlined in Article X, Section 15. of this Amendment.

Section 2. Curfew. No Members or their guests will be allowed to use the Common Area between the hours of 11:00 p.m. and 5:00 a.m..

Section 3. Boats and Motor Powered Boats. Any Member may place a boat on the Lake for fishing or recreational purposes. No boats shall be more than fourteen feet (14') in length, other than canoes which may be sixteen feet (16'). No boats shall be equipped with either inboard or outboard engines of gasoline, diesel, electric or any other type. Unattended boats must be removed from the Common Areas to boat owners property at sunset as not to interfere with member access to the perimeter of the lake that is included in the common area.

Section 4. There shall be no hunting or trapping of wild animals anywhere within the MLNA Subdivision as prohibited by law. All wild animals including geese, ducks and turtles or their eggs shall not be harmed or disturbed in any way or removed from the Common Area. Nuisance animals may be trapped and removed by a professional service contracted by the MLNA if deemed necessary by the MLNA Board.

Section 5. Fishing is permitted in all areas of the Lake except in designated swimming areas. In an effort to maintain a desirable sport fish population in the Lake the Lake Management Committee of MLNA may publish from time to time specific regulations regarding harvesting of certain species of fish, size or weight limits and catch and release requirements. During winter months when ice fishing is possible all holes made in the ice for the purpose of fishing or otherwise must be clearly marked when not in use with red flags, red hazard cones or other obvious means. Due to the serious and potentially lethal health hazard created by this violation, Members and their guests who do not comply will lose all ice fishing privileges permanently.

Section 6. Swimming from the beach area at the Lake will only be permitted when MLNA is registered and licensed with the State of Illinois under the Illinois Public Beach and Swimming Act. Diving in any area of the Lake is prohibited. Children under 12 must be under adult supervision.

Section 7. Leashed-only pets are permitted in the Common Area. Pet owners are responsible for removal of pet waste from the common area. Horses are not allowed in the common area.

Section 8. Motor driven vehicles including automobiles, motorcycles, motor driven carts or bicycles are not allowed at anytime in the MLNA Common Areas. Motorized vehicles including lawnmowers and tractors are permitted only if involved in the maintenance of the Common Areas. A residential lawn tractor or motor driven cart may enter the Common Area to transport a Members boat and trailer or fishing equipment to and from the Lake and are restricted the access path from Old Homestead Road and the area immediately surrounding the beach and gazebo area.

Section 9. MLNA members have the option to hire a qualified landscape maintenance contractor to perform weekly scheduled mowing of the common areas during the growing season.

Article IV

Violations of By-Laws and Covenants by MLNA Members.

Section 1. The MLNA President shall have the power to appoint a committee to review infractions of covenants, conditions, restrictions and by-laws of the Association. Said committee shall meet to review said infractions and shall determine if there was an infraction of aforementioned covenants, conditions, restrictions and by-laws. If such infraction did exist, the committee shall advise the President to issue a written reprimand by registered mail to the owner(s) in violation outlining the violation and course for correction. If the Owner does not correct the infraction of covenants, conditions, restrictions and/or By-Laws within 30 days of receipt of the written notice, the Board may suspend the MLNA membership of said owner and seek an injunction against said offending party to stop undertaking the violation. Membership privileges will be reactivated once the violation has been corrected.

Article V

Membership Dues

Section 1. Each lot owner of MLNA shall be assessed over and above any special assessments one hundred and fifty dollars (\$150.00) per year. This annual assessment may be adjusted upwards depending on the budgetary needs of the Association. One third (1/3) of the annual dues shall be allocated for capital improvements or repairs. This capital expense fund shall be kept in an interest bearing account that is separate from the general fund. Capital expense is defined as any repair or improvement to common areas in excess of ten thousand dollars (\$10,000.00). The general fund shall be utilized for day to day expenses. Annual assessments shall be due and payable on or before the first day of June in the year they are due.

Article VI

Architectural Review Committee

Section 1. The ARC shall consist of the Board of Directors of MLNA.

Section 2. The ARC shall meet as it so deems appropriate except that it shall be required to meet within ten (10) business days of submission of plans, specifications and a Lot Development Plan by a lot Owner.

Section 3. The decision of the ARC shall be determined by the agreement of a majority of its members in attendance at a formal meeting with reasonable notice

having been given to the committee members. Three members in attendance shall constitute a quorum.

Section 4. Nothing herein shall relieve any lot Owner from the responsibility of complying with all applicable Building and Zoning Ordinances and other regulations of Kane County or other governmental bodies having jurisdiction.

Section 5. The members of the ARC shall not be personally liable to the lot Owner(s) for any mistake in judgment or for any acts or omissions (not made in bad faith) made on behalf of the MLNA acting as the ARC and shall be indemnified and held harmless by all lot Owners.

Article VII

Architectural Control

Section 1. The ARC shall evaluate architectural submissions by the lot Owner and/or Owner's contractor based on:

- a. Architectural integrity and consistency. The various elements of the home should be compatible and have significant appeal.
- b. The proposed improvement shall be harmonious with existing and previously approved improvements in the vicinity of the lot.
- c. The architectural style, the detailing of the exterior trim and appointments and the building materials shall combine to create a distinctive character to the improvement. The overall appearance of the improvement shall be one of professional quality.

Section 2. The purpose of architectural controls is to insure an attractive, harmonious residential development having continuing appeal. No building or other improvement shall be commenced or maintained, including any addition or alteration (except interior changes), until the construction plans and specifications and the Lot Development plan have been submitted to and approved in writing by the ARC.

The construction plans and specifications shall include detailing of the exterior building materials.

The ARC shall have the right to refuse to approve any such construction plans or specifications or Lot Development Plan and may specify construction procedures in accordance with Article II, Section 2.a. of the Amendment. In the event that the ARC rejects construction plans, specifications and/or the Lot Development Plan due to the fact that the ARC determines that said plans and/or specifications are inadequate, not

suitable or desirable for aesthetic or other reasons, The ARC shall reply to the lot owner and/or contractor with the following:

- a. a request for more complete plans or more detailed specifications,
- b. an acceptable change(s) to the plans and specifications, and/or
- c. a request for alternative plans for one or more specific elements of the plan.

Section 3. The ARC shall reply to the lot Owner and/or contractor within ten (10) business days of receipt of submission. In the event the ARC does not approve the initial plans, or portion thereof, following the initial submission, the ARC will request alternative plans be submitted. Following submission of revised plans the ARC will respond with approval or denial with suggested or required modifications within ten (10) days.

Section 4. The building plans, specifications and Lot Development plan shall be submitted to the ARC and their approval received by the lot Owner prior to application for building permit and prior to the clearing of the lot.

Section 5. A decision of the ARC can be reversed by a lot Owner through the lot Owner's compliance with the following procedure: The lot Owner shall petition the other lot Owners in MLNA and shall obtain the affirmative signature of the Owners of two-thirds (2/3) of the lots in MLNA to reverse a decision of the ARC. Said petition shall clearly state the lot Owner's request and the ARC's objection(s). The plans, specifications, Lot Development Plan, all correspondence and all other pertinent documents shall be attached to the petition, referenced therein and made a part thereof. The lot Owner shall then record the petition and all exhibits with the Kane County Recorder and may commence construction of the improvement in accordance with the plans, specifications and Lot Development Plan contained in the recorded document.

Section 6. Any approval or procedure adopted by the ARC for one lot shall not restrict the ARC's right to grant a different approval or procedure for another lot.

Article VIII

MLNA Owners Association Membership

Section 1. MLNA, an Illinois Not-For-Profit Corporation shall administer, operate, maintain and promote the desired purpose of this Amendment. The Board of Directors of MLNA shall constitute the final administrative authority and all decisions of the Board

with respect to the administration of the Common Improvements (as defined herein) shall be binding.

Section 2. Membership in the MLNA as defined in Article I, Section 1.

Section 3. As a Member of MLNA, each lot owner hereby covenants and agrees to be bound by the provisions of the By-laws of the MLNA as such may be properly adopted, altered or amended from time to time pursuant to the terms hereof.

Section 4. The Association shall have one class of membership and each member shall have one vote for each lot such Owner owns, provided that in no event shall more than one (1) vote be cast with respect to any lot.

Article IX

Board of Directors - Powers and Duties

Section 1. The purpose of the MLNA is to maintain, repair and replace certain improvements at the Owner's Subdivision, Mallard Lake North in Kane County, Illinois. Said improvements include but are not limited to the following;

lake access path, security gate and fence of access path at Old Homestead Road, lake picnic area, gazebo, benches, swimming beach, spillway dam, common area landscaping; and other improvements installed by MLNA for the mutual benefit of the lot owners.

Section 2. The administration and operation of the Common Improvements shall be vested in the MLNA Board of Directors.

Section 3. At the annual meeting the Board of Directors shall be elected by the Members in accordance with the By-laws and this Amendment.

Section 4. The Board of Directors (hereinafter referred to as the "Board") shall have the authority from time to time to adopt rules and regulations governing the administration and operation of the Common Improvements, subject to the terms of this Amendment.

Section 5. To the extent such services are not provided by any governmental body or the individual lot Owners, and as such services are authorized by this Amendment, the Board shall have the following duties, authority and powers:

- a. for the maintenance, repair, cost of operating, replacement and removal of Common Improvements
- b. and to operate the Association including the purchasing of services, the payment of expenses, the accounting of receipts and disbursements, securing

the necessary insurance, the collection of assessments, providing the Members with notice of annual and special meetings and conducting the Association meetings.

Section 6. No director or officer of MLNA serving without compensation shall be held liable to lot Owners unless the act or omission involved is willful or wanton conduct. All contracts and agreements entered into by the Board on behalf of MLNA shall be deemed executed by said parties as the case may be as agent for the Association.

Article X

Maintenance Assessments

Section 1. Every owner of each lot referenced herein as a member of the Owners Association by acceptance of the deed of conveyance, whether or not it shall be so expressed in any such deed, is deemed covenant and agrees to pay the association:

- a. an annual assessment or charges representing the lot Owner's proportionate share of the expenses referenced in Article IX, Section 5. a., and b; and
- b. special assessments for improvements and other expenses not covered by the annual assessments and accumulated reserves. Said special assessments may be collected from time to time as herein provided.

Section 2. Not less than thirty (30) days prior to an annual meeting or a special meeting of the Association, the Board shall distribute the following, along with the meeting notice specifying the time and place, whenever a new annual assessment is being announced:

- a. financial statements including income and expense statement and a balance sheet dated within forty-five (45) days of the date of the meeting; and
- b. financial statements including income and expense statement for the prior year; and
- c. a budget for the following year in the case of an annual meeting and a budget for the proposed expenditure of the special assessment (when applicable). The budget will contain an itemized accounting of common expenses actually incurred or paid, together with the tabulation of the amounts collected pursuant to the budget or assessment and showing the net excess or deficit of income over expenditures plus reserves for the preceding year.

Section 3. The election of members to the Board, changes in By-laws, amendment of covenants, conditions and restrictions, annual assessments and special assessments shall be proposed by the Board and voted on by Members of the Association at annual or special meetings with proper notice having been given. The affirmative vote of a simple majority of the lot Owners present and represented by proxy shall be sufficient to elect a Board Member. Changing a By-law, amending a covenant, condition and restriction, or effecting an annual or special assessment will require a two-thirds (2/3) majority of all Members in good standing at the time of the vote.

Members of the Association may nominate Board members, propose changes in the By-laws and propose annual or special assessments provided that:

- a. the nomination is presented at the time of the annual or special meeting, and
- b. the proposed change in the By-laws and a proposed annual or special assessment must be distributed to the lot Owners of record not less than ten (10) nor more than thirty (30) days prior to the annual or special meeting.

Section 4. Each year, on or before April 1, the Board shall prepare a budget for the Association for the ensuing twelve (12) months for the rendering of all services required by the Board, together with a reasonable amount considered by the Board necessary for the contingency and/or replacement reserve and shall, on or before March 15, notify each Owner in writing as to the amount of such estimate with reasonable itemization thereof.

Section 5. Any annual assessment or special assessment shall become due 30 days after approval by the Members of the Association at the annual meeting and not less than 20 days after notice of the approved assessment to the Members of the Association following the annual meeting.

Section 6. The amount of the assessment shall be paid (as specified in Article V, Section 1.) by the lot owners of record as of the date when the assessment is due.

Section 7. A lot Owner's obligation to pay assessments shall commence on the date of closing of such lot Owner's acquisition of a lot.

Section 8. The annual assessments and special assessments shall be assessed equally to each lot. The Board may establish periodic installments.

Section 9. If said annual assessments prove inadequate for any reason, including non-payment of an Owner's assessment, the Board may charge the deficiency against existing reserves or levy a further special assessment which shall be assessed equally against all lots subject to the assessment. The Board shall serve notice of such further assessment to all Owners by a statement in writing showing amount due and reasons therefore and when said special assessment is required to be paid.

Section 10. No Owner may waive or otherwise escape liability for assessments provided herein by non-use of the Common Improvements or abandonment of his/her Lot. Further, the failure or delay of the Board to prepare or serve the annual or adjusted assessment on any 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 provided herein. In the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay their then existing assessment rate established for the previous period until the new rate has been provided to the Owner.

Section 11. Special assessments for all or part of capital improvements, additions and/or capital replacement must receive two thirds (2/3) affirmative votes by lot Owners in good standing at a regular annual meeting or special meeting of the Association. Capital improvements are defined herein as "additions to the existing improvements"

Annual assessment budgets can include line items for capital improvements; and in this event, they shall only require the affirmative vote of a two-thirds (2/3) majority of the Members in good standing at a properly called annual meeting (in accordance with Article X, Section 2. and 3. of this Amendment).

Section 12. In the event that a 2/3 majority of the lot owners at an annual meeting cannot agree on an annual budget or annual assessment, then the annual assessment shall remain unchanged from the preceding year and the Board shall not be authorized (in this event) to use any portion of the current assessment or the accumulated excess and accumulated reserves for Capital Improvements.

Section 13. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid as of the date of the certificate and in the event the assessments on the specified lot are not paid in full as of the date of the certificate: the amount currently due together with interest, costs and attorney's fees. In the event that assessments are levied but are not yet due; the certificate shall state the amount and due date for the installments assessed but not collected. A reasonable charge may be made by the Board for the issuance of these certificates. Said charge shall be consistent and represent out of pocket expenses incurred by the Board in preparing the certificate. Said certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 14. Any assessments, annual or special, which are not paid on the due date shall be delinquent and subject to a lien filed by the MLNA. Such delinquency shall be a continuing lien and an equitable charge running with the land touching and concerning said lot so assessed, held by the then owner or owners, his heirs, devisees, personal representatives, assigns, successors, and grantees.

Should title to any lot be held by more than one owners, all owners shall be jointly and severally liable. The lien shall attach to all rents due from parties in possession of any lot on which a delinquent assessment exists, provided that it shall be subordinate to an

assignment of rents held by a mortgagee when delivered in connection with a first mortgage loan to purchase the property.

Should any assessment remain unpaid thirty (30) days after it has become delinquent, such assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum.

The Association may recover any delinquent assessments by bringing an action at law or in equity against the then owner personally obligated to pay the same or foreclose the lien against the lot. Such recovery shall include interest, costs and reasonable attorney's fees incurred in connection with any such action.

Section 15. In the event of any default by any lot Owner in the performance of his obligations under this Amendment, the Board or its agents, shall have the rights and remedies permitted under this Amendment, in addition to those provided or permitted by law, including the right to take possession of such lot owner's interest in the lot for the benefit of all other lot owners by an action for possession in the manner prescribed in the Forcible Entry and Detainer Act (Illinois Revised Statutes Chapter 57).

The lien of the assessments provided for herein shall be subordinate to the lien of the first mortgage or first trust deed placed upon the lot for the purpose of purchasing same. Such automatic subordination shall apply only to the assessments which arise subsequent to the lien of the first mortgage or first trust deed. The sale or transfer of any lot pursuant to a decree of foreclosure under such first mortgage or first trust deed, or any proceeding or conveyance in lieu thereof, shall not extinguish the lien of such assessments which have become due and payable prior to such sale or transfer. Such sales or transfer shall not relieve the lot from liability for any assessments or installments thereafter becoming due.

**UN
OPERATION
OF THE
MALLARD LAKE NORTH ASSOCIATION**

ARTICLE XI

NAME

The name of the Illinois Not-For-Profit Corporation is Mallard Lake North Association, hereinafter referred to as "MLNA".

ARTICLE XII

MEETING OF MEMBERS

Section 1. Membership and Annual Meetings: Reference is hereby made to the Amendment of By-Laws of MLNA (the "Amendment"). Membership in the MLNA is defined in Article 1. Section 1. of the Amendment. Annual meetings of the members shall be held on the first Tuesday in April of each year.

Section 2. Special Meetings: Special meetings of the members may be called at any time by the President.

Section 3. Notice of Meetings: Written or printed notice of each meeting of the members shall be given by, or at the direction of, the President or person authorized the call the meeting not less than five (5) days before such meeting to each member. Notice of meetings may be hand delivered to the members residence or by mailing a copy of such notice, postage prepaid, addressed to the member's address last appearing on the books of the MLNA or supplied by such members of the MLNA for the purpose of notice, or as otherwise provided by the Amendment. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting, the purpose of said meeting.

Section 4. Quorum: The presence at the meeting of a simple majority of members, either in person or by proxy, shall constitute a quorum. If, however, such a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting, without notice, until a quorum as aforesaid shall be present or represented.

Section 5. Place of Meeting: All meetings of the members shall be held at such place as may be designated in the notice of such meeting within the State of Illinois, Kane County, as may be designated by the Directors.

Section 6. Proxies: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of MLNA prior to said meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by and such member of his interest in the real estate described in the Amendment.

ARTICLE XIII

DIRECTORS

Section 1. Number: The affairs of the MLNA shall be managed by a minimum of four (4) Directors. The Directors shall be elected for the term of one (1) year, and shall

be elected by a majority of the membership represented, either in person or by proxy, at the annual meeting as provided in Article II, Section 1. of the By-Laws.

Section 2. Qualifications: No person shall be elected a Director of the MLNA, unless such person is:

- a.) an actual and bona fide member of MLNA; and
- b.) is eighteen (18) years of age or older and is under no legal disability; and
- c.) is not an officer, director, shareholder, or employee of any firm or institution with whom the MLNA has a contractual agreement or with whom the MLNA is otherwise doing business.

In the event that any director duly elected fails to continuously meet the criteria above enumerated in subsections "a" through "c", such person shall thereafter disqualified from further service as a Director and a new Director shall be elected to fill the vacancy as herein provided.

Section 3. Removal: Any Director may be removed from the board with or without cause by a majority vote of the members of the MLNA whenever in it's judgment the best interests of the MLNA would be served.

Section 4. Vacancy: In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation: No director shall receive compensation for any service he may render the MLNA, however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could otherwise make by obtaining the unanimous written approval of the other Directors; or by tele-conference of a quorum of the Directors of which tele-conference minutes shall be kept by the secretary. Any action so approved shall have the same effect as though taken at a meeting of Directors.

ARTICLE XIV

BOARD OF DIRECTORS - POWERS AND DUTIES

Section 1. Powers: The Board of Directors shall have the power to:

- (a) Exercise for the MLNA all powers, duties and authority vested in or delegated to this Homeowners Association and not reserved to the membership by other provisions of the By-Laws or the Amendment.

- (b) Maintain bank accounts and enter into contracts on behalf of MLNA for MLNA purposes.
- (c) Enforce each and every covenant contained in the aforesaid Amendment and collect costs and expenses incurred in connection therewith.
- (d) As more fully provided in the Amendment, to create a budget, fix assessments and to foreclose the lien against any property for which assessments are not paid.

Section 2. Duties: It shall be the duty of the Board to:

- (a) Supervise the duties of the officers, agents and employees of the MLNA to see that their duties are properly performed.
- (b) Perform such other duties and obligations as are contemplated by the Amendment.
- (c) Supervise the maintenance, upkeep and insurance of the Common Area as described in the Amendment.

ARTICLE XV
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers: The officers of MLNA shall be a president, secretary and treasurer who shall be members of MLNA and who shall be elected by the members of MLNA , to hold office until the expiration of their term, or until removed as provided in the By-Laws.

Section 2. Term of Office: The term of office shall be one (1) year. The officers may be elected for a maximum of two (2) consecutive terms.

Section 3. Method of Election: The officers of MLNA shall be elected at the annual meeting by a majority of the voting members represented at that meeting, either in person or by proxy.

Section 4. Removal: Any officer may be removed at a special meeting of the MLNA by a majority vote of the members represented, either in person or by proxy, whenever in its judgment the best interests of MLNA would be served.

Section 5. Duties of Officers: The duties and powers of the officers shall be as follows:

- (a) **President** - The President shall preside at the meetings of MLNA and of the Board of Directors, and shall be a member ex officio, with right to vote, of all

committees except the nominating committee. He shall also, at the annual meeting of MLNA and such other times as he deems proper, communicate to the MLNA or Board of Directors such matters and make suggestions as may in his opinion tend to promote the prosperity and welfare and increase the usefulness of the MLNA and shall perform such other duties as are necessarily or customarily incident to the office of the President. The President may sign along with the secretary and treasurer of MLNA, after authorization by a majority of the voting members, all legal documents necessary for the transaction of the business of MLNA.

(b) Secretary - It shall be the duty of the secretary to give notice of and attend all meetings of the MLNA and the Board and keep a record of the meetings; to conduct all correspondence and to carry into execution all orders, votes, and resolution not otherwise committed; to keep a list of MLNA members and their mailing addresses; be custodian of the MLNA records; to notify the officers and members of MLNA of their election; and generally to devote his or her best efforts to forwarding the business and advancing the interests of the MLNA.

(c) Treasurer - The treasurer shall keep an account of all moneys received and expended for the use of the MLNA, and shall make disbursements utilizing standard accounting practices. The treasurer shall collect all fees and annual dues and deposit all sums received in a state chartered or national bank, or banks, and make a report at the annual meeting or when called upon by the signature of the treasurer.

The funds, books and vouchers in his or her hands shall at all times be under the supervision of the Board of Directors and subject to its inspection and control. At the expiration of the treasurer's term of office, her or she shall deliver over to his or her successor all books, moneys and other property, or, in the absence of a treasurer-elect, to the President.

Section 6. Bond of Treasurer: The treasurer shall, if required by the Board, give the MLNA such security for the faithful discharge of duties as the Board may direct.

Section 7. Vacancies: All vacancies in any office shall be filled by the Board of Directors without undue delay, at its regular meeting, or a meeting specifically called for that purpose. A vacancy shall only be filled for the unexpired portion of the term and shall be pursuant to "Article V, Section 2" of the By-Laws.

Section 6. Compensation of Officers: No officers shall receive compensation for any service he or she may render to the MLNA, however, any officer may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Combining Offices: The MLNA may choose to combine the offices of Secretary and Treasurer at the annual meeting prior to election of officers.

ARTICLE XVI

COMMITTEES

Section 1. Committee on Nominations: During the month of February in each year, the Board of Directors shall appoint a Nominating Committee of three (3) members, some of whom shall be a member of the Board, whose duty it shall be nominate candidates for Officers and Directors at the next annual election. They shall notify the Secretary in writing, at least 20 days before the next annual meeting, of the names of such candidates, and the Secretary, except as herein otherwise provided, shall distribute a copy thereof to the last recorded address of each member simultaneously with the notice of the meeting.

Section 2. Independent Nomination: Nominations for Directors or Officers may also be made, endorsed with the names of not less than two (2) members of the MLNA, provided such nominations are forwarded to the Secretary at least five (5) days prior to the annual meeting of the MLNA for immediate transmittal by him or her to the members.

Section 3. Special Committees: The President may, at any time, appoint other committees on any subject for which there are no standing committees. Members may volunteer and ask the President to include them in the particular committee they are interested in serving on.

Section 4. Committee Quorum: A simple majority present at any meeting of any committees of the MLNA shall constitute a quorum.

Section 5. Committee Vacancies: The President shall have the power to fill vacancies in any of the various committees.

ARTICLE XVII

AMENDMENTS

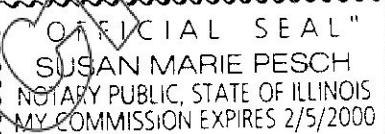
Section 1. These By-Laws may be amended, repealed, or altered in whole or part and new by-laws may be adopted at any annual or special meeting by a two-thirds (2/3) majority vote of all members in good standing pursuant to "Article X, Section 3." of the Amendment. In the event that there are any inconsistencies between this Amendment and the existing covenants or by-laws, the provisions of this new Amendment shall govern and control.

IN WITNESS HEREOF, the undersigned Officers and Directors of the Mallard Lake North Association have caused their names to be affixed on this 2 ND day of November in the year 1999.

By George R. Lacina
George R. Lacina, President
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this 2 ND day of Nov., 1999.

Susan Marie Pesch.
Notary Public



By William A. Honiotis
William A. Honiotis, Secretary
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this 2 ND day of Nov., 1999.

Susan Marie Pesch.
Notary Public



By Donna M. Vojahosky
Donna M. Vojahosky, Treasurer
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this 2 ND day of Nov., 1999.

Susan Marie Pesch.
Notary Public



By Gilbert S. Herreras
Gilbert S. Herreras, Director
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this 2nd day of Nov., 1999.

Susan Marie Pesch
Notary Public



By Anthony C. Pesch
Anthony C. Pesch, Director
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this 2nd day of Nov., 1999.

Susan Marie Pesch
Notary Public



By Richard E. Baker
Richard E. Baker, Director
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this 2nd day of Nov., 1999.

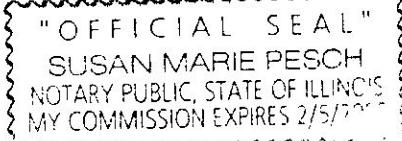
Susan Marie Pesch
Notary Public



By Gregory M. Karr DDS
Gregory M. Karr, DDS, Director
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this 2nd day of Nov., 1999.

Susan Marie Pesch
Notary Public



By James J. Vojahosky
James J. Vojahosky, Director
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this nd day of Nov., 1999.

Susan Marie Pesch
Notary Public



By Alan D. Dutkeiwicz
Alan D. Dutkeiwicz, Director
MALLARD LAKE NORTH ASSOCIATION

Subscribed and sworn before me
this nd day of Nov., 1999.

Susan Marie Pesch
Notary Public



PREPARED BY: WILLIAM A. HONOTES
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