

EXHIBITS

Exhibit A - Legal Description of Property

Exhibit B – Intentionally Omitted.

Exhibit C - By-Laws of Hanover Estates Homeowners Association

Exhibit D – Intentionally Omitted.

EXHIBIT A

EXHIBIT C

BY-LAWS OF HANOVER ESTATES HOMEOWNERS ASSOCIATION, INC. AN ILLINOIS NOT-FOR-PROFIT CORPORATION

ARTICLE 1 NAME OF CORPORATION

The name of this corporation is HANOVER ESTATES HOMEOWNERS ASSOCIATION, INC. (the "Association").

ARTICLE 2 DEFINITIONS

All terms used herein shall have the meanings set forth in the Declaration including, without limitation:

2.01 Access Area. The unenclosed sidewalks from time to time or at any time located or constructed upon the Lots and utilized for ingress, egress and access to, from and through the Property.

2.02 Additional Property. Intentionally Omitted.

2.03 Association. Hanover Estates Homeowners Association, Inc., its successors and assigns.

Board. The Board of Directors of the Association.

2.05 Common Interest Property. Real Estate with respect to which, any person, by virtue of his or her ownership, of a partial interest, or Lot, in the property, is obligated to pay for maintenance, improvement, insurance premiums, or real estate taxes, of other real estate, described in a declaration, that is administered by an association.

Declarant. William J. McEnery not individually, but as Trustee under Trust dated April 22, 1993 and known as the William J. McEnery Revocable Trust.

Detention & Park. Lot/Outlot _____, the Park, shall be conveyed to the Manhattan Park District. Lot/Outlot _____, the retention/detention areas, shall be conveyed to the Association.

Developer. Manhattan Property Development, Inc., its successors and assigns.

First Mortgagee. A bona fide lender holding a validly recorded mortgage or trust deed on a lot or the Maintenance Area which mortgage or trust deed was recorded prior in time to all other mortgages or trust deeds against said lot or Maintenance Area.

Lot. Any plot of land shown upon the Plat of Subdivision which is designated as a separate Lot thereon and which may be improved with a dwelling.

Maintenance Area. That portion of the Property designated herein, designated on the Plat(s), if any, designated on the Plat of Subdivision, if any, and/or designated on the Annexation Agreement, if any, including but not limited to the following if applicable: (i) entrance monuments; (ii) ponds; (iii) detention/retention areas; (iv) storm water management facilities; (v) wetlands; (vi) swales, culverts, inlets, drainage pipes, appurtenant drainage lines and ditches; (vii) landscaping and/or berms; (viii) paths, street lights, structures and other identification features of the Property, together with all improvements and facilities at any time located thereon.

Member. Every owner of a Lot.

Owner. The record owner, whether one or more persons, individuals or entities, of a fee-simple title to any Lot, including contract purchasers having such interest merely as security for the performance of any obligations.

Outlot. Any plot of land shown upon the Plat of Subdivision which is designated as a separate Outlot thereon and which may not be improved with a dwelling.

Plat of Subdivision. The Plat of Subdivision of Hanover Estates Subdivision previously recorded in the Office of the Recorder of Deeds of Will County, Illinois affecting the Property or any portion thereof.

Property. The real estate described in Exhibit "A", attached hereto.

Storm Water Detention Facilities. The Storm Water Detention Facilities shall mean the storm water detention facilities located anywhere on the Property.

ARTICLE 3

PURPOSES AND POWERS

3.01 Purposes: The purposes of this Association are to perform all the obligations of the Association as set forth in the Declaration, including without limitation, owning, maintaining and administering the Maintenance Area and the facilities and improvements thereon; to promote the health, safety and welfare, and the Common use and enjoyment thereof by its Members; and to exercise all the rights and powers granted the Association in the Declaration, all on a not-for-profit basis, subject to and in accordance with the terms and provisions of the Declaration.

3.02 Powers: The Association shall have and exercise all powers as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois, the Declaration and these By-Laws.

ARTICLE 4 OFFICES

4.01 Registered Offices: The Association shall have and continuously maintain in the State of Illinois a registered office and registered agent whose office shall be identical with such registered office, and may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

Principal Office: After the turnover Date (as defined herein), as hereinafter defined, the principal office of the Association shall be maintained as determined from time to time by the Board. Prior to the Turnover Date the location of the principal office shall be determined from time to time by Developer.

ARTICLE 5 MEMBERSHIP AND VOTING RIGHTS

5.01 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. Ownership of a Lot shall be the sole qualification for membership.

Voting Rights: The Association shall have one class of membership and each Member shall have one vote for each Lot such member owns, provided that in no event more than one (1) vote be cast with respect to any Lot. The person entitled to vote with respect to each Lot is hereinafter referred to as the Voting Member. If more than one person is the record owner of any Lot, or if an Owner is a trustee, corporation, partnership or other legal entity, the vote for such Lot shall be exercised as such Owner or Owners of that Lot shall designate in writing to the Board, except that Developer shall designate who shall exercise the voting rights with respect to Lots owned by Declarant. Such designation shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any Owner of that Lot or by written notice of revocation to the Board by any such Owner. In the absence of such written designation, the vote for any Lot may be exercised at any meeting of Members as the Owner or Owners of that Lot present at such meeting shall agree; provided, however, if all Owners of a Lot cannot agree as to how their vote shall be exercised, no vote shall be cast with respect to that Lot. In the event that a Lot is owned by more than one person and no designation is given, then the Board in its discretion may recognize one of those persons as the Voting Member for such Lot.

Annual Meetings: The initial meeting of Members shall be held upon no less than thirty (30) days' written notice given by the Developer, the President of the Association or any three (3) Members after the first to occur of any of the following (the "Turnover Date"):

a. The expiration of ninety (90) days after the sale and transfer of title by Declarant of one hundred percent (100%) of the total Lots.

Five (5) years after the recording of this declaration;

Developer, by written notice to the Association, voluntarily elects to release its right to appoint all Members of the Board of Directors.

Therefore there shall be an annual meeting of the Members of the same day of the same month of each succeeding year, at 7:30 p.m. or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the Members.

5.04 Special Meetings: Special meetings of the Members may be called at any time by the President of the Association, by the Board of Directors or, after the Turnover Date, upon written request of Voting Members having twenty- five (25%) percent of the total votes.

5.05 Notice of Meetings: Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered either personally or by mail to each Owner not less than five (5) nor more than forty (40) days before the day of such meeting. Said notice shall be given by or at the direction of the President, Secretary or persons calling the meeting. In case of a special meeting or when required by statute or these By-Laws, the purpose for which the meeting is called shall be stated in the notice. Notices of the meetings shall be in writing addressed to the Owner at the address furnished by him to the Association for the purpose of service of notices or if not such address has been furnished, to the Lot owned by such Owner. Notices addressed as above shall be deemed delivered when deposited in the United States mail, postage prepaid, or when personally delivered to that address.

Place of Meetings: All meetings of Members shall be held at such place in Will County, Illinois as determined by the Board.

Quorum: The presence at any meeting, in person and by proxy, of Owners having at least twenty percent (20%) of the total votes shall constitute a quorum for any action to be taken by the Members except as may otherwise be provided in the Declaration or in these By-Laws. Unless otherwise expressly provided in the Declaration or in these By-Laws any action that may be taken by the Members may be taken at any meeting at which a quorum is present upon the affirmative vote of a majority of the Voting Members present at such meeting. If a quorum is not present at any meeting, a majority of the Voting Members present may adjourn the meeting at any time, without further notice. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of Voting Members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

5.08 Proxies: At all meetings of Members, a Voting Member may vote either in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically be void upon termination by the Member of his interest in his Lot.

ARTICLE 6

BOARD OF DIRECTORS

6.01 In General: The affairs of the Association shall be managed by the Board of Directors. At the initial meeting of the Voting Members, the Voting members shall elect the Board of Directors consisting of not less than three (3) nor more than eight (8) members, in accordance with the terms of the Illinois Not-For-Profit Act. In all elections for members of the Board of Directors, each Voting member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Members of the Board elected at the initial meeting of the Voting Members shall serve until the first annual meeting of the Voting Members. At the first annual meeting no less than three (3) nor more than eight (8) Board members shall be elected in accordance with the terms of the Illinois Not-For-Profit Act. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of one (1) year each.

The Voting Members having at least two-thirds (2/3rds) of the total vote may increase or decrease such number of persons on the Board or may increase or decrease the term of office of Board members at any annual or special meeting, provided that (i) the number of Directors shall be within the variable range of not less than three (3) nor more than eight (8) members, (ii) the terms of at least one-third (1/3) of the persons on the Board shall expire annually, and (iii) no Board member or officer shall be elected for a term of more than two (2) years but Board members or officers may succeed themselves. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt and as provided in the Declaration and/or in these By-laws. Except as provided elsewhere in the Declaration or in these By-Laws, all directors elected by the Members shall be Owners.

Appointment of Directors by Developer: Anything herein to the contrary notwithstanding, as provided in the Declaration, until the initial meeting of Members has been held following the Turnover Date, the Board shall consist of, and vacancies on the Board shall be filled by, such persons, not less than three (3), as Developer shall from time to time, appoint. Prior to the Turnover Date, Developer may, from time to time, by written notice to the Association, elect to relinquish its right to appoint any one or more directors, and continue to exercise its right to appoint the remaining directors.

6.03 Election of Directors: At the initial meeting of Members after the Turnover Date the Voting Members shall elect the number of directors then in effect. In all elections for directors each Voting Member shall be entitled to vote on a cumulative basis.

6.04 Annual Meetings: The Board shall hold an annual meeting of the Board within ten (10) days after each annual meeting of the Members, at such time and place as shall be fixed by the directors at the annual meeting of Members and no further notice to the directors of their annual meeting shall be necessary.

6.05 Regular Meetings: In addition to its annual meeting, regular meetings of the Board shall be held at such time and place as a majority of the Board shall by resolution determine, provided that there shall be not less than one regular meeting each calendar quarter. Notice of such regular meetings of the Board shall be given to each director personally, by mail or by telephone at least five (5) days prior to the meeting.

6.06 Special Meetings: Special meetings of the Board may be called by the President or a majority of the directors. The person or persons authorized to call such special meetings of the Board may fix the place within Will County, Illinois for holding any special meeting of the Board called by them.

Notice of Special Meetings: Notice of any special meeting of the Board shall be given at least three (3) days prior to any such meeting by personal delivery or by written notice delivered personally or by mail to each director of his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid.

6.08 Waiver of Notice; Contents of Notice: Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting, unless specifically required by law or by these By-Laws.

Informal Action: Any action required to or which may be taken at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all directors entitled to vote with respect to the subject matter thereof. Any such signed consent shall have the same effect as a unanimous vote of the directors.

Quorum: A majority of the directors serving from time to time on the Board shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board, provided that if less than a quorum is present a majority of the directors present may adjourn the meeting from time to time without further notice.

6.11 Manner of Acting: Except as otherwise expressly provided by law or by the Declaration of these By- Laws, any action of the directors may be taken upon the affirmative vote of a majority of the directors at which a quorum is present.

6.12 Compensation; Reimbursement for Expenses: Directors shall receive no compensation for their services but shall be reimbursed for reasonable out-of-pocket expenses incurred in the course of the performance of his duties upon presentation of receipts or other appropriate evidence of such expense.

6.13 Removal or Resignation of Directors: Any director elected by the Members may be removed from office, with or without cause, by the affirmative vote of at least two-thirds (2/3) of the Voting Members at any annual meeting or at a special meeting called for such purpose. Any director may resign at any time by submitting his written resignation to the Board. If a director elected by the Members ceases to be a Member of the Association, he shall be deemed to have resigned as of the date of his membership ceased. A successor to fill the unexpired term of a director elected by the Members who resigns or is removed may be elected by the Voting Members at any annual meeting or at any special meeting called for such purpose and any successor so elected shall serve the balance of his predecessor's term.

ARTICLE 7

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board shall maintain and administer the Maintenance Area as provided in the Declaration, and have all the powers and duties granted and imposed upon it by the Illinois general Not-For-Profit Corporation Act, the Declaration and these By-Laws, including, without limiting the foregoing, the following:

a. By vote of a majority of the Board Members, and without approval of any of the Voting Members except as hereinafter set forth, to adopt and publish reasonable rules and regulations governing the use, operation and maintenance of the Property, and as otherwise authorized by the Declaration, and to amend or modify any existing rules and regulations. Written notice of such rules and regulations and of any amendments or modifications thereof shall be given to all Owners. If, within thirty (30) days from the date of such written notice to the Owners of the adoption of any such rule and regulation, or any such rule and regulation, or any amendment or modification thereof, the Voting Members having at least one-fourth (1/4) of the total votes shall file with the Board a written objection thereto then such rule and regulation shall be deemed rescinded until approved by the Voting Members having at least two-thirds (2/3) of the total votes, provided, however, that the provisions of this sentence shall not apply, and no consent of any Voting Members shall be required with respect to any rules or regulations, or any amendments or modifications thereof adopted by the Board prior to the Turnover Date.

b. To cause the annual budget to be prepared, each owner to be notified of the annual and any special assessments against his Lot and to collect the same all in accordance with and as more fully set forth in the Declaration.

c. To formulate policies for the administration, management, maintenance, improvement and operation of the Property.

To provide for the designation, hiring and removal of employees and other personnel, including lawyers, engineers, architects and accountants, and to engage or contract for services to the Property.

To procure and maintain such fire and extended coverage, public liability, workmen's compensation, fidelity, directors' and officers' liability and other insurance in such amounts and insuring against such risks as the Board deems desirable.

Subject to the provisions of the Declaration, to engage the services of a professional manager for the Association and the Property, and such other personnel and services, including accountants and attorneys, as the Board may, in its discretion, deem appropriate.

To provide for the maintenance, repair, replacements, improvements and additions of and to the Maintenance Area and the facilities and improvements thereon, and to the extent set forth in the Declaration.

To pay all taxes and other costs and expenses incident to the ownership of the Maintenance Area and all facilities and improvements thereon.

To cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate.

To cause to be executed and delivered, in the name and on behalf of the Association, such agreements in favor of mortgagees of Lots or others as may be required to qualify said mortgages in accordance with the requirements of Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such organizations, or any institutional lender issuing a commitment to make first mortgage loans covering twenty percent (20%) or more of the Lots located in the Property.

To exercise all other rights, powers, duties and authority vested in or delegated to the Board or the Association by the Illinois Not-For-Profit Corporation Act, the Declaration, or these By-Laws, not expressly reserved to the Members.

ARTICLE 8

OFFICERS

8.01 Officers: The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board may deem appropriate. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board. Notwithstanding the foregoing, the Members shall elect the Officers at the initial meeting and the newly elected Officers shall serve for a term of no less than six

months subject to Section 8.02 hereinbelow.

8.02 Vacancy of Office: Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

8.03 Powers of Officers: The respective officers of the Association shall have such powers and duties as are usually vested in such office of a not-for-profit corporation, including but not limited to the following:

a. The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Members and of the Board;

b. The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;

c. The Secretary shall keep minutes of all meetings of the Members and of the Board and shall have custody of the Association Seal, all correspondence, and such other books, papers and documents as the board may proscribe;

d. The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association books of account kept for such purpose.

8.04 Officer's Compensation: The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Board.

ARTICLE 9 COMMITTEES

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

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

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

- 9.04 Chairman: One member of each committee shall be appointed chairman.
- 9.05 Vacancies: Vacancies in the membership of any committee may be filled by appointed made in the same manner as provided in the case of the original appointments.
- 9.06 Quorum: Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee may be filled by appointment made in the same manner as provided in the case of the original appointments.
- 9.07 Rules: Each committee may adopt rules for its own government not inconsistent with the Declaration, these By-Laws or with rules adopted by the Board.

ARTICLE 10

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

- 10.01 Contracts: The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.
- 10.02 Payments: All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.
- 10.03 Bank Accounts: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.
- 10.04 Special Receipts: The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

ARTICLE 11

FISCAL MANAGEMENT

- 11.01 Fiscal Year: The fiscal year of the Association shall begin on the first day of January each year, except that the first fiscal year shall begin at the date of incorporation, and shall end on the last day of December of each year.
- 11.02 Financial Statements: On or before April 15 of each year following the initial meeting of Members, the Association shall furnish its Members with a statement of the income and disbursements of the Association for such fiscal year and such other information set forth in the Declaration. As provided in the Declaration, an annual budget shall be adopted and communicated to the Members by December 15 of the prior year.
- 11.03 Annual Assessments: The Board in its sole discretion shall determine the monthly assessments subject to the terms, conditions and limitations set forth in the Declaration.

11.04 Special Assessments: Special assessments may be authorized pursuant to the terms set forth in the Declaration.

ARTICLE 12
BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Members. All books and records of the Association may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE 13
SEAL

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Association.

ARTICLE 14
WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the General Not-For-Profit Corporation Act of Illinois, the provisions of these By-Laws or the Declaration, a waiver in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 15
AMENDMENTS

The By-Laws may be amended or modified at any time or from time to time at any meeting of the Board, by a majority of the directors then serving on the Board, provided that (i) no amendments affecting the rights granted by these By-Laws to Developer shall be effective unless consented to in writing by the Developer; (ii) no provision of these By-Laws shall conflict with the Declaration; and (iii) no amendment shall diminish the authority of the Board while Developer has the right to appoint any Members of the Board.