

ARTICLE 4
ESTABLISHMENT OF THE LIGHTHOUSE POINTE HOMEOWNERS'
ASSOCIATION

CREATION AND PURPOSE

There shall be formed an Illinois Not-for-Profit Corporation to be known as Lighthouse Pointe Homeowners' Association, hereinafter referred to as "the Association," the purpose of which shall be to insure high standards of maintenance and operation of all the Common Areas, which shall specifically include the storm water detention facilities identified as Outlots B, C & F, in the Subdivision. The Association shall be vested with fee simple ownership of said Common Areas and access rights to landscape easements. The Association shall have the right and obligation to own and maintain said Common Areas, and to access and maintain said landscape easements for the exclusive benefit and enjoyment of the Members of the Association in full compliance with the Ordinances of the Village of Frankfort and to be esthetically pleasing to the Owners of Lots in the subdivision. At such time as to Lighthouse Pointe Townhome Association is created, Outlots B and C shall be deeded to the Lighthouse Pointe Townhome and Association and the right to own and the obligation to maintain Outlots B and C shall vest jointly in the Lighthouse Pointe Townhome Association and the Association.

POWERS AND DUTIES OF THE ASSOCIATION

The Association shall have the following powers and duties, in addition to those provided elsewhere in this Declaration or the Association's bylaws:

to elect directors, to appoint officers, to hire employees or agents and to enter into contracts as the Association deems necessary from time to time. The powers of the Association shall be vested in its board of directors, which at all times shall be comprised of not less than three (3) directors. The directors shall have all powers of the Association not specifically reserved to the members of the Association, which are permitted by the Laws of the State of Illinois;

to adopt reasonable bylaws, rules and regulations necessary and proper to carry out the Association's powers and duties;

to take title to, own, hold, and continuously insure such real estate as may be reasonably necessary to carry out the purposes of the Association, including but not limited to the Common Areas, and to pay any applicable taxes on real estate owned by the Association as may be assessed from time to time;

to enforce any provision, term, condition, restriction and/or covenant contained in this Declaration and/or amendments thereto;

to administer the architectural review process and appointments set forth in Article III of this Declaration;

to maintain the lawn and landscaping, and/or other improvements to the Common Areas or landscape easements in accordance with the Village's requirements and in a well-groomed manner. The Association is hereby granted a permanent easement to enter and maintain the aforesaid landscape easement. Maintenance shall include replacement of dead or damaged vegetation (as originally designated on approved landscape plans) after the original warranty period;

to levy and collect the Association's assessments and, to this extent, to lien any and all Lots when necessary to enforce collection of assessments. Developer shall not be liable for payment of any Association dues in connection with any Lots that Developer owns or in which Developer has an interest. Should Developer own a Lot

or Lots and build its personal residence thereon, then Developer shall be liable for Association dues in conjunction with Developer's ownership of such Lot(s); Until such time as the Developer ceases to be the Owner of any Lot in the subdivision, the powers and duties of the Association shall be under the exclusive control of the Developer. The Developer, however, shall have the right at any time to turn the control of the Association over to the Members of the Association upon not less than 30 days notice in writing addressed to each Member of the Association;

Prior to the Turnover Date, Developer shall have all the powers and duties of the Association.

THE BOARD OF DIRECTORS AND TURNOVER OF CONTROL OF THE ASSOCIATION

The first board of directors shall consist solely of three (3) persons who are designated from time to time by Developer, and such persons may, but need not, be Lot Owners. Developer's right to designate directors hereunder shall terminate on the first to occur of (i) such time as Developer no longer has legal, equitable or beneficial interest in or has control over title to any part of the Land; (ii) the giving of written notice by Developer to each member of the Association of Developer's election to terminate such rights; or (iii) ten (10) years from the original date of recording of this Declaration.

The date on which the Developer's rights under this Article IV.3 terminate shall be referred to as the "Turnover Date." Prior to the Turnover Date, all of the voting rights shall be vested exclusively in the Developer. Prior to the Turnover Date, the Lot Owners, except the Developer, shall have no voting rights. From and after the Turnover Date, the constitution and election of the board of directors shall be dictated by the bylaws of the Association. From and after the Turnover Date, the board of directors shall consist of at least three (3) persons, all of whom must be Lot Owners (should this provision conflict with any provision contained in the Association's bylaws, this provision shall govern). From and after the Turnover date, any action may be taken by the voting members at any meeting at which a quorum is present, upon an affirmative vote of a majority of the voting members present at such meeting.

MEMBERSHIP & VOTING RIGHTS

The Association shall have only one class of voting membership. Every Lot Owner shall become and be a member of the Association and such members shall be entitled to one (1) vote on each matter submitted for a vote of the members; provided, that where title to a Lot is in more than one (1) person, such co-owners, for purposes of voting, shall be considered one (1) Lot Owner and shall be entitled to only one (1) vote. The trustee of a title-holding land trust shall be entitled to one (1) vote for each Lot for which it holds title.

METHOD OF PROVIDING GENERAL FUNDS

For the purpose of providing a general fund to enable the Association to exercise the powers, fulfill the duties, make and maintain the improvements and render the

services herein provided for, the board of directors of the Association shall determine for each year the total amount of such fund for such year and shall levy an annual assessment against each Lot in the Subdivision, payable in equal monthly/quarter-annual installments.

In the event of failure of a Lot Owner to pay the Association assessment on or before the scheduled due date thereof, then such assessment shall become delinquent and shall bear interest at the rate of eighteen percent (18%) per annum from the due date thereof to the date of payment. If the interest rate expressed herein exceeds the interest rate allowed by law, the maximum interest rate allowed by law shall apply. When delinquent, payment of both principal and interest may thereafter be enforced against the Lot Owner personally or as a lien on the applicable Lot. The Association may bring suits to enforce such liens before the statutory expiration thereof. The Association may, at its discretion, record certificates of nonpayment of assessments in the office of the Recorder of Deeds of Will County, Illinois whenever any such assessments are delinquent and the Association shall be entitled to collect from the Lot Owner or Lot Owners of the lots described therein, the costs of such recording, including reasonable attorneys' fees, which are hereby declared to be a lien upon the applicable Lot so described in said certificate. Such costs shall be collectible in the same manner as the original assessments provided for herein and in addition to the interest and principal due thereon.