

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS**

FOR

**“CORAL TRAILS SUBDIVISION”
CORAL TOWNSHIP**

WITH HOMEOWNER’S ASSOCIATION

DATED MARCH 20, 2002

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Declaration of Covenants, Conditions and Restrictions “CORAL TRAILS SUBDIVISION”

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration made this 20th day of March 2001, by MICHAEL W.

GRISMER, as Trustee of a Declaration of Trust known as the MICHAEL W. GRISMER TRUST NO. 1 dated February 14, 1992 and JEFFREY C. GRISMER, as Trustee of a Declaration of Trust known as the JEFFREY C. GRISMER TRUST NO. 1, dated September 2, 1992, hereinafter called “the Developer.”

ARTICLE I

Declaration - Purposes

Section 1.01: General Purposes. The Developer is the owner of certain real property located in Coral Township, McHenry County, Illinois (the “Property”), which is legally described in Article III hereof, and has created thereon a subdivision known as “Coral Trails”, which is legally described in Article III hereof.

The Developer desires to provide for the preservation of values and amenities in said subdivision, including without limitation, preservation of its natural setting and beauty, visual continuity, environmental integrity and important wetlands, and to this end desire to subject Property, to the covenants, restrictions, easements and charges hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

Section 1.02: Declaration: To further the general purposes herein expressed, the Developer, for itself, its successors and assigns, hereby declares the Property shall be deemed to be “existing properties” whether or not referred to in any deed of conveyance of such property, at all times is and shall be held, transferred, sold, conveyed and occupied subject to the covenants,

restrictions, easements, charges and liens (sometimes referred to as “covenants and restrictions”) hereinafter set forth. The provisions of this Declaration are intended to create mutual equitable servitude upon each lot becoming subject to this Declaration in favor of each and all other such lots; to create privity to contract and estate between the grantees of such lots, their heirs, successors and assigns; and to operate as covenants running with the land for the benefit of each and all such lots becoming subject to this Declaration, and the respective owners of such lots, present and future.

ARTICLE II

Definitions

The following words and terms when used in this Declaration, shall have the following meanings:

- 1) "Association" shall mean and refer to the Coral Trails Homeowner's Association, an Illinois not-for-profit corporation, its successors and assigns.
- 2) "Board" shall mean and refer to the Board of Directors of the Association as constituted from time to time.
- 3) "By-Laws" shall mean the By-Laws of the Association, as amended from time to time.
- 4) “Committee” shall mean the Architectural Review Committee.
- 5) "Declarant" shall mean and refer to the Developer and their successors and assigns, whether such succession or assignment applies to all or any part of the Property. Any such successor or assignee shall be deemed a Declarant and entitled to exercise all or a portion of the rights of Declarant provided herein if designated as such by Declarant in any instrument recorded for such purposes.
- 6) “Developer” shall refer to the declarants executing this Declaration. "Dwelling" shall mean any building located on a Lot and intended for the shelter and housing as a single family residence, as hereinafter defined. Dwelling shall include any Structure attached to the dwelling utilized for storage of personal property, tools and equipment.

- 7) "Lot" shall mean each part of the Property, the size and dimension of which shall be established by the legal description in the Lot Deed conveying such Lot. A Lot may also be established by Declarant pursuant to the Subdivision Plat or by an instrument in writing executed, acknowledged and recorded by Declarant which designates a part of the Property as a Lot for the purposes of the Declaration. Initially, and until and unless the configurations or number of Lots (or any of them) are changed in either of the foregoing manners, the Lots shall be deemed to be the twenty-six (26) Lots depicted on the Subdivision Plat as amended from time to time.
- 8) "Lot Deed" shall mean the Deed of Developer conveying a Lot to an Owner.
- 9) "Member" shall mean and refer to every person or entity who holds membership in the Association.
- 10) "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot, as hereinafter defined, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The term "Owner" shall include the Developer to the extent of the number of Lots owned by Declarant and also includes the interest of Developer or of Declarant as contract seller of any Lot.
- 11) "Property" shall mean and refer to the real estate legally described in Article III hereof.
- 12) "Structure" shall mean any building or other improvement erected or constructed, the use of which requires more or less permanent location on or in the ground, or attached to something having a permanent location on or in the ground.
- 13) "Subdivision Plat" shall mean the plat of subdivision of Coral Trails, as recorded in the Office of the Recorder of Deeds of McHenry County, Illinois and which may include one or more phases or units thereof. "Stormwater Management Areas" shall mean all areas of the Property including but not limited to, those areas depicted on the Subdivision Plat, which are designed or intended for the proper drainage, conveyance, detention or retention of water including, but not limited to, all swale lines, ditches, berms, stormwater pipes, catch basins, detention and retention areas, ponds, basins, laterals, manholes, services, mains, facilities, compensatory storage and other stormwater conveyance, collection and storage systems and any other improvements, facilities and appurtenances incidental thereto located on the Property.

ARTICLE III

Existing Property

The Property is more particularly described as follows:

CORAL TRAILS SUBDIVISION containing 26 LOTS. All that part of the West Half of the Northeast Quarter of Section 32, Township 43 North, Range 6, East of the Third Principal Meridian, lying North of the centerline of Harmony Road (excepting the North 504.0 feet of the said West half of the Northeast Quarter), in McHenry County, Illinois.

ARTICLE IV

Architectural Review Process for Lots

Section 4.01: Objectives. The Developer's objectives are to carry out the general purpose expressed in this Declaration to assure that any improvements will be of good and attractive design and in harmony with the natural setting of the lots, and will serve to preserve and enhance existing features of natural beauty; and to assure that material and workmanship of all improvements are of high quality.

Section 4.02: The Committee. To achieve Developer's objectives, the Developer, shall appoint the Architectural Review Committee with power to administer this Declaration with regard to approving or disapproving those matters which are expressed herein to be within the jurisdiction of the Committee. The Committee shall consist of not less than three members. Matters requiring approval of the Committee shall be submitted to its chairman, or as the Committee otherwise designates.

Section 4.03: Matters Requiring Approval. Prior written approval shall be obtained from the Committee with respect to all matters stated in this Declaration as requiring such approval. In addition thereto, no building, fence, wall or other structure shall be commenced, erected or maintained upon the lots, nor shall any exterior addition to or change of alteration therein be made, nor shall any clearing of trees or change of lot grade be made until the plans and specifications showing the nature, kind, shape, elevations, heights, materials and color, location and grade of proposed landscaping, design and proposed location on the lot of the sanitary disposal system, curtain drainage system, if required, shall have been submitted to and approved in writing by the Committee. Exterior color schemes shall be subject to approval, in writing, of the Committee and shall be in harmony with the other exterior color schemes within the subdivision.

Section 4.04: Procedures. Whenever approval is required of the Committee, appropriate plans and specifications shall be submitted to the Committee, prior to securing a building permit from the McHenry County Planning and Development Department. The Committee shall either approve or disapprove such design and location and proposed construction and clearing activities within fifteen (15) days after said plans and specifications have been submitted to it; except that, if such plans and specifications are disapproved in any respect, the applicant shall be notified wherein such plans and specifications are deficient. The Committee may withhold approval for any reason deemed by it to be appropriate, including aesthetic reasons, except that approval will not be withheld for capricious or unreasonable reasons. If such plans and specifications are not approved or disapproved within fifteen (15)

days after submission, approval will not be required and this Article will be deemed to be fully satisfied. At the discretion of the Committee, a reasonable filing fee established by the Committee shall accompany the submissions of such plans to defray expenses, except that so long as the Committee is under Developer's control such fee shall not exceed \$100.00. No additional fee shall be required for resubmission of plans revised in accordance with recommendations made upon disapproval. A copy of each approval set of plans and specifications shall be kept on file with the Committee. Subsequent to approval of the plans and specifications by the Committee, the Owner shall submit the approved plans and specifications to the McHenry County Planning and Development Department for issuance of a building permit. Any changes required by the County shall be resubmitted to the Committee for approval. Subsequent to approval by the Committee and issuance of a building permit, no substantive external or structural changes shall be made without the prior written consent of the Committee and the McHenry Country Planning and Development Department, if required by County ordinance.

Section 4.05: Deviations from Covenants and Restrictions.

Except as set forth in this Section 4.05, the Committee may, without consent of the Owner or Owners of any other Lot or Lots, authorize the Owner of a Lot to deviate from any one or more covenants and restrictions within its jurisdiction of enforcement, in order to alleviate practical difficulty or particular hardship which otherwise might be suffered by such Owner, the minimum square footage requirement may be waived if, at the sole discretion of the committee, the architectural detail and quality of the structure is of higher value, subject and subordinate,

however, to any applicable building, zoning or other governmental ordinance, rule or regulation. This authority shall be in writing and it shall not constitute a waiver of the application of any such covenants and restrictions as to any other Lot or Lots in the Subdivision.

Section 4.06: Change of Committee. The right is reserved by the Developer to remove and/or replace members of the Committee. The Developer may in writing cede to the Owners the right to replace or remove members by a majority of the Owners.

Section 4.07: Other Regulatory Agencies. Nothing contained in these Articles shall obviate the Developer's or Owner's responsibility to secure such other permits as may be required by other regulatory agencies, such as the U.S. Army Corps of Engineers, McHenry County, etc..

ARTICLE V

General Restrictions for the Lots

Section 5.01: Land Use - Single-Family Residential. No more than twenty-six (26) Lots will be permitted on the Property. All Lots shall be used only for Single-Family residences. No Dwelling shall be erected or maintained on any Lot in the Property unless such Dwelling has space for living purposes equal to at least 2,100 square feet for a one-story Dwelling, 2,300 square feet for a one and a half story Dwelling, 2,500 square feet for a two-story dwelling, or 2,700 square feet for a two and one-half story Dwelling, exclusive of porches, garages and basements. However, these restrictions shall not apply to existing farm house located on Lot 16, unless and until such farm house is later demolished or removed from Lot 16.

Section 5.02: Standards for Construction. All Structures shall be constructed in accordance with applicable governmental building codes and zoning ordinances of McHenry County and the approval of the Committee. If, and to the extent there is any conflict between this Declaration and the provisions of any ordinances, codes, rules and regulations of McHenry County, then McHenry County's regulations shall apply.

Section 5.03: Nuisances. No noxious or offensive activity shall be carried on, in or upon the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the Subdivision. No plants or seeds or other conditions, harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of a Lot. No separate building shall be erected or maintained on any Lot for manufacturing, industrial or business purposes, excepting a temporary sales office as specified by the County Special Use Ordinance. However, home occupation and occupations which may be carried on within a single family residence are allowed.

Section 5.04: Temporary Structures. No temporary building, trailer, mobile home, recreational vehicle, shed, tent, shack or other similar Structure shall, except as otherwise herein provided, be located upon the Lots.

Section 5.05: Lot Appearance. No person shall accumulate on a Lot junked vehicles, litter, refuse or other unsightly materials. Trucks, boats, recreational vehicles or trailers shall at all times be parked in the garage of the Dwelling. Garbage shall not be stored outside. Vacant Lots shall not be used for the purpose of gardening and/or raising crops thereon, except, Developer may continue to use unsold Lots for raising crops.

Section 5.06: Maintenance of Drainage and Detention and Retention Areas.

Any portion of any Lot which is designated as a drainage or County easement on the Subdivision shall be kept free of obstructions to drainage. No improvements or planting shall be erected, done or maintained, other than grass lawn, a property line fence which does not restrict surface water flow on any portion of any Lot reserved as a drainage or County easement on the Subdivision Plat, and no compensation may be claimed for damage for planting or improvements at any time existing within such area, arising from the installation, repair or improvement of and drainage or County easement. Unless otherwise specifically directed by the County, the respective Lot Owners and/or the Association shall be responsible for the control of erosion within those portions of any such easements, which are part of their respective premises.

Storm water control facilities shall be improved so as to provide adequate water retention capacity for a 100 year storm and such facilities shall be in general conformity with the preliminary engineering plans-storm water management plans and specifications prepared and also in conformity with final engineering plans prepared in accordance therewith, which final engineering shall be submitted to and approved in writing in advance by the County. Each of the lot owners shall not in any way obstruct or restrict the natural flow of the drainage and storm water detention for the subdivision. The storm water detention and drainage of this subdivision is engineered so as to preserve the natural state of the property, and no obstruction shall be created or caused by any lot owner. The Architectural Committee, or any subsequent Homeowners Association, shall have the right to prevent any obstruction to the natural flow of the drainage and/or storm water detention within the subdivision. Maintenance of the storm

water detention and easements is the responsibility of the Lot Owners and/or Homeowners Association.

Section 5.07: Vehicle Repair. The repair or body work on any motorized vehicle shall not be permitted except within the confines of the garage.

Section 5.08: Fences. No fences shall be permitted upon any Lot closer to front property line than 30 feet to the rear of the Dwelling, except dog runs approved by the Association and those fences required by state statute or local ordinance pertaining to swimming pools. ALL FENCES SHALL BE MADE OF WOOD NO BARB WIRE OR WOVEN WIRE OR ANY OTHER FENCES MADE OF METAL ARE ALLOWED.

Section 5.09: Construction Equipment and Parking. Subsequent to the construction of a Dwelling and sale of the Lot by the Developer, all equipment used in subsequent clearing, excavation or construction, not rubber-tired, shall only be loaded or unloaded within the boundary lines of each Lot. No truck, recreational vehicle, boat, trailer or commercial vehicle shall be permitted upon any Lot except when such truck or commercial vehicle is actually delivering or unloading personal property to and from the premises and except any truck, recreational vehicle, boat, trailer or commercial vehicle which is restricted to the interior confines of the private garage. No private vehicles shall be parked overnight on the streets or roadways, but shall be kept on the driveway of the Lot or in the private garage, it being the intention to prevent obstruction of the streets by continuous parking thereon.

Section 5.10: Quality of Structures. It is the intention and purpose of these covenants to insure that all Structures shall be of a quality of design workmanship and materials which are

compatible and harmonious with the natural setting of the area and other Structures within the Subdivision. All Structures shall be constructed in accordance with applicable government building codes and with more restrictive standards that may be required by the Committee.

Section 5.11: Location of Structures on Lots. The parties deem that the establishment of standard inflexible building setback lines for location of Structures on individual Lots would be incompatible with the objective of preserving the natural setting of the area and preserving the enhancing existing features of natural beauty and visual continuity of the Lots. Therefore, the location of each Structure, including driveways and culverts, on a Lot shall be subject to approval in writing by the Committee, giving consideration to setback lines, if any, on the recorded plat, provided that each Owner shall be given reasonable opportunity to recommend the suggested construction site. The location of any outbuilding shall be no closer to the front Lot line than 50' from the rear of the Dwelling. Notwithstanding the foregoing all setbacks must conform to the setback requirements set forth in any applicable McHenry County ordinances. The grade for the top of the foundation for all homes and outbuildings shall be established by the Committee in conjunction with the septic system designer.

Section 5.12: No Lot shall be used for the stabling or keeping of any cattle, swine, goats, sheep, bees or fowl, but stabling and keeping of two horses in conformity with McHenry County regulations shall be permitted.

Section 5.13: Building Permits and Donation Fees. Purchasers of individual lots shall be solely responsible for payment of all fees for building permits, school, library, park, fire protection and any other governmental agency donation fees in accordance with ordinances

which may exist from time to time.

Section 5.14: Access to Harmony Hill & Harmony Road. Direct access to Harmony Hill Road & Harmony Road from Lot 1, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26 is prohibited.

Section 5.15: Other Lot Improvements and Activities.

- 1) The garage shall be built at the same time as the Dwelling and must be built as an integral and permanent part of said Dwelling, or attached thereto. The garage shall not accommodate less than two (2) or more than four (4) automobiles, but may have additional storage space for lawn mowers, lawn tractors, snowmobiles, tools, etc.
- 2) Detached garages, outbuildings and accessory structures (Structures) shall be allowed. The building shall be a minimum size of nine hundred (900) square feet, and a maximum size of twelve hundred (1200) square feet. Maximum eave height shall be nine (9) feet as measured from eaves to the ground on 3 sides of said building. No more than one accessory Structure shall be permitted on each Lot.
- 3) Completion of Construction. Any construction undertaken on any lot shall be continued with diligence toward the completion thereof and construction of any dwelling shall be completed within one year from commencement of construction, except that such period may be extended for a reasonable time by reason of act of God, labor disputes or other matters beyond the owner's control. No outside wall face shall be of a asphalt brick siding, asphalt shingle siding, vinyl or aluminum siding. Walls of Detached garages, outbuildings and accessory structures shall be of the same or like quality as the Dwelling, except where brick is used on walls of Dwelling, other premium siding such as cedar may be used .
- 4) Minimum roof pitch shall be 5/12. Flat roofs are prohibited. Minimum roofing material shall be 30 year architectural or dimensional shingles as approved by the architectural review committee. Detached garages, outbuildings and accessory structures shall have same roofing material as residential structure. .
- 5) No sign of any kind shall be displayed to the public view on any lot except mail box designation acceptable to the U.S. Postal Service, one sign of not more than five square feet to advertise the property for sale or rent; or one sign of not more than 32 square feet used by the declarant, developer or builder to advertise the property during the construction and sales period. Notwithstanding anything to the contrary in this

Declaration of building and use restrictions and protective covenants, the declarant, developer and builder may erect signs on any lot that they may own, advertising the sale of lots and residences in future land to be developed and sold adjoining and connected to this subdivision by any roads.

- 6) No exposed tank or underground tank used for storage of fuel or for any other purpose may be maintained on any Lot.
- 7) All private drives or driveways are to be equipped with culverts where necessary. Drives and driveways shall be finished with asphalt, brick or concrete materials not more than eighteen (18) months after Owners' receipt of an occupancy permit. Notwithstanding the foregoing, any part of the driveway falling within the right of way shall be asphalt.
- 8) Maintenance of Lots. All lots, including adjacent parkways, whether occupied or unoccupied, and any improvements placed thereon, at all times shall be maintained in such a manner as to prevent their becoming unsightly, unsanitary, or a hazard to health. Vacant lots shall be maintained so that grass or other vegetation (other than shrubbery, trees, etc.) shall not exceed eight (8) inches. This provision shall not apply to lots with agricultural crops growing thereon.
- 9) In ground swimming pools with suitable see-through fencing materials shall be permitted. No swimming pool of temporary or collapsible construction, nor one that is portable or movable, nor one that is constructed in such a way as to hold water above ground level of the surrounding terrain, shall be permitted.
- 10) Any Dwelling on any Lot in the subdivision shall be completed before it shall be occupied or used for residential purposes.
- 11) No Lot or Lots in the Subdivision shall not be divided or resubdivided into smaller lots or parcels of land.
- 12) Television and radio transmission towers, antennae and apparatus, including, but not limited to, short wave radio towers, are prohibited, except for normal and customary television antenna affixed to and located on the roof, or attached to the side of the Dwelling. 18 inch or smaller satellite dish antennae are permitted subject to approval by the Architectural Committee as to location, size, type and screening.
- 13) Solar units are allowed for heating the dwelling or a swimming pool, so long as such units do not face the front yard of a Lot, i.e. do not face the roadway that serves the Lot.

Section 5.16: Miscellaneous Controls.

- 1) Trees, shrubs and other vegetation may not be planted on corner Lots in a manner which

will obstruct the vision of a vehicle approaching within twenty-five (25) feet of the intersection.

- 2) Awnings or canopies may not project more than three (3) feet from the building and may only be placed in the rear yards.
- 3) Each Owner shall provide for parking of at least two (2) automobiles in garages equipped with garage doors. All automobiles owned or used by the Owner and family members other than temporary guests and visitors shall be parked in garages to the extent that the garage space is available and the garages shall not be used for storage or any other purpose that make them become unavailable for parking cars therein. The Association shall have the authority to promulgate rules and regulations to govern or prohibit the outside storage or parking upon any Lot.

ARTICLE VI

Sanitary Disposal for Lots, Water Wells and Drainage and Detention Easements

Section 6.01: Septic Systems. Sanitary disposal for each Lot shall be by means of a septic system or other approved method designed by a Illinois licensed professional engineer. However, septic systems shall not be installed in “septic restriction areas”, those areas designated upon the Subdivision Plat as unsuitable for septic, or “storm water detention easements” or other drainageways as designated on some lots on the Subdivision Plat. Before installation, the design plans for the system will be submitted to and a permit for installation obtained from McHenry County Planning and Development Department or any other governmental authority having jurisdiction. Any such system as installed shall be subject to inspection and final approval by the approving authority before backfilling. The cost of installation of the system shall be borne by the owner. No sewage disposal system shall be permitted on any Lot, nor may any sewage disposal system be used, unless such system is designed, located, constructed and maintained in accordance with the requirements, standards,

and recommendations of the appropriate public health authority. Final approval by the Committee of building plans shall be subject to issuance of the required permit for sanitary disposal.

Section 6.02: Private Water Wells. Each Lot shall provide its own private water well which does not conflict with the septic system and otherwise comply with McHenry County ordinances and State of Illinois statutes.

Section 6.03: Drainage and Detention Easements. No person shall place or deposit, or permit to be placed or deposited, any fill or debris, effluent or waste material including, but not limited to, Structures, building materials, excavated spoil or earth fill from within or from beyond the easement area or dig, dredge or in any way other or remove any materials, soils or substances from such easement areas. Easement surfaces shall be maintained by common lawn mowing equipment in all easement areas except wetlands.

Section 6.04: Future Connection to Municipal Sewer and Water Services. As the subdivision lies within an unincorporated area of McHenry County, the individual Lots are expected to be dependent upon private septic sanitary systems and private water wells for many years. If the Property is annexed to a municipality in the future, and if municipal sanitary sewer and water become available to the Subdivision, each Owner shall be liable for the payment of all costs in connection with the hook up and maintenance of connection to the municipal sanitary sewer and water systems.

ARTICLE VII

Homeowner's Association

Section 7.01: Creation and Purposes. Within a reasonable period of time after the execution and recording of this Declaration (not more than one (1) year), a Homeowner's Association (the "Homeowner's Association") will be created as an Illinois not-for-profit corporation, requiring that all Owners be Members and pay dues and assessments of the Homeowner's Association, which, initially shall be \$75.00 per annum per Lot, except, the Developer will not be required to pay dues and assessments for any unsold Lots. Unless otherwise specifically directed by McHenry County, the Homeowner's Association shall be responsible for control of erosion and the maintenance of the entrance monument and signage, and landscaping, including but not limited to the maintaining and mowing of grass and the cutting of weeds, within those portions of the dedicated right-of-way along the streets adjacent to the Subdivision, including all landscaped islands and detention basins. Prior approval from McHenry County must be obtained before making any alterations or changes of a permanent nature in such areas.

Section 7.02: Board of Directors and Officers. The Association shall have a Board of not less than three (3) directors who shall be elected by the Members of the Association at such intervals as the corporate charter and By-Laws of the Association shall provide, except that vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled as provided by the corporate charter or By-Laws.

The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board and who shall manage and conduct the affairs of the Association

under the direction of the Board. Except as expressly otherwise provided by the charter or By-Laws, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in its Board and its officers under the direction of the Board, and shall not be subject to any requirement or approval on the part of its Members. The corporate charter and By-Law of the Association may include such added provision for the protection and indemnification of its officers and directors as shall be permissible by law. The directors and officers of the Association shall not be liable to the Owners or others for any mistake of judgment or any acts or omissions made in good faith as such directors or officers. The Owners shall indemnify and hold harmless each of such director or officers against contractual liability arising out of contracts made by such directors or officers on behalf of the Owners of the Association, unless any such contracts shall have been made in bad faith or contrary to the provisions of this Declaration. The liability of any Owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the directors or officers to the extent not covered by insurance, shall be limited to such Owner's proportionate share of the total liability.

Section 7.03: Membership and Voting.

- 1) Every person or entity who is a record Owner of a fee or undivided fee interest in a Lot which is subject by covenants of record to assessment by the Association, including a contract seller, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligations. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Lots.
- 2) From and after the time that Developer has relinquished its authority to appoint the

Directors as herein provided, each Member shall be entitled to one (1) vote on each matter provided, that if title to a Lot is in more than one person, such Owners acting jointly shall be entitled to but one vote. When more than one (1) person holds such interest in any Lot, all such persons shall constitute one Member.

Section 7.04: Powers and Duties of the Association. The Association, through the Board, shall have the following powers and duties:

- 1) Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same at the first annual meeting of the Members of the Association after such appointment.
- 2) Establish and maintain annual assessment amounts and a working capital and contingency fund in an amount to be determined by the Board.
- 3) Maintain all drainage areas and facilities located on the Property in accordance with the reasonable and acceptable engineering requirements of the County in the event that one or more Owners fail to do so. The Association shall maintain the retention/detention areas.
- 4) Provide for the maintenance of landscaping, signs, monuments, fencing, retaining walls, lighting and all other improvements located at the entranceway to the Property.
- 5) At its option, mow, care for and maintain vacant and unimproved property and remove rubbish from same and to do any other things necessary or desirable in the judgment of the Board to keep any vacancy and unimproved property and parkways in the Property neat in appearance and in good order. The foregoing rights shall not apply to any Lot or other portion of the Property owned by Declarant.
- 6) Make such improvements to the Association Property and provide such other facilities and services as may be authorized by the affirmative vote of two-thirds (2/3) of the Members of the Association acting in accordance with its charter and By-Laws, provided, however, that any such action so authorized shall always be for the express purpose of keeping the Property a highly desirable residential community. If the change impacts or affects any of the County's rights, the County must approve the change in writing before its becomes effective.
- 7) Exercise all other powers and duties vested in or delegated to the Association and not specifically reserved to the voting members by the Articles of Incorporation, the

Declaration or By-Laws.

- 8) Obtain necessary and reasonable levels of general casualty and liability insurance.

Section 7.05: Maintenance Assessments.

- 1) Developer may collect, from each initial purchaser of a Lot at the closing of the sale of such Lot, the sum equal to three (3) years of the then current yearly assessment being assessed to the Members at the time the property is transferred to the Owners as "Contingency and Replacement Reserve" for the Association to be utilized for repair and replacement of capital improvements made or to be made on any Common Areas. After 75% of the lots are sold ("the Turnover Date"), the Developer shall assign to the Association all proceeds of the Contingency and Replacement Reserve to be applied by the Association for the purposes set forth in the preceding sentence. The Declarant and Developer shall have no right to utilize any of such funds prior to the Turnover Date.
- 2) Each Owner, by acceptance of a deed or other conveyance from the Declarant, its successors or assigns, is deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for capital improvements and unforeseen expenses, to be collected as hereinafter provided in this Declaration, together with the By-Laws of the Association. The annual and special assessments, together with interest thereon and costs of election thereof, as hereinafter provide, shall be a charge on the Property and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interests, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due. Notwithstanding the foregoing, Declarant shall be obligated to pay its share of assessments only for purposes of the maintenance, repair, replacement, upkeep and insurance of the common area and for no other purpose. The portion of the assessments to be utilized for other expenses and purposes shall be allocated equally among all Owners other than Declarant.
- 3) The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas. Such uses shall include, but are not limited to, the cost to the Association of all taxes, insurance, repair, replacement and maintenance and other charges required by the Declaration or that the Board shall determine to be necessary or desirable to meet the primary purpose of this Association, including the establishment and maintenance of a reserve for repair, maintenance, replacements, taxes and other charges as specified herein.

- 4) In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon any Common Areas, including the necessary fixtures and personal property related thereto, if any.
- 5) Both annual and special assessments must be fixed at an equal amount for all Lots. Annual assessments shall be collected, in advance, on a yearly basis.
- 6) The annual assessments provided for herein shall commence for all Lots then subject to assessment hereunder on the first day of the month following the Turnover Date. The Board shall fix the amount of the annual assessment of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. Any Lot conveyed by Declarant to a third-party purchaser after the commencement of the obligation to pay assessments shall be payable as follows: the Owner shall pay to Declarant (for delivery to the Association) the pro rata amount of the annual assessment due for the portion of such year following the closing. The Association shall, upon demand, at any time furnish a certificate, in writing, signed by an officer or agent of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein. The Contingency and Replacement Reserve is not refundable.
- 7) Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%), and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. To the extent permitted by any decision or statute now or hereafter effective, the amount of any delinquent and unpaid charges or assessments and interest, costs and fees as above provided, shall be and become a lien or charge against the Lot of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Each Owner, by such Owner's acceptance of a deed to a Lot, hereby expressly vests in the Association, or this agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens. In addition, if any Owner shall default in the payment, when same shall be due, of the aforesaid charges or assessments, and default shall continue for thirty (30) days after notice to the Owner by the Board setting forth the amount of unpaid charges or assessments

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

- 8) The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed on the Lots prior to the effective dates of such liens. In the event of the issuance of a deed, pursuant to the foreclosure of such prior mortgage or in lieu of such foreclosure, the grantee of such deed shall take title free and clear of any lien herein provided which may accrue prior to the recording of such deed.
- 9) The Association shall be obligated to pay and discharge all general and special real estate taxes and assessments levied by any public authority with respect to the common areas applicable for the period commencing with the Turnover Date.
- 10) The regular yearly assessment shall be determined on an annual basis by the affirmative vote of two-thirds (2/3) of the Board of the Association.

Section 7.06: Insurance. The Board shall have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and worker's compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, the Association, its officers, members of the board, the Declarant, and their respective employees and agents from liability and insuring the officers of the Association and members of the Board from liability for good faith actions beyond the scope of their respective authority. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be common expenses payable out of the proceeds of the assessments required by and collected in accordance with

Section 7.05 of this Article. The Association shall be further responsible for maintaining such policies of insurance for any common areas against loss or damage by fire and such other hazards contained in the customary fire and extended coverage, vandalism and malicious mischief endorsements as the Association may deem desirable and may also obtain such other kinds of insurance as the Association shall from time to time deem prudent. Upon request the Board shall furnish McHenry County copies of certificates of insurance or other adequate evidence of such insurance as the Association is required or authorized to maintain by the provisions hereof.

Section 7.07: Interim Procedure.

- 1) Until each of the Lots shall have been conveyed by the Developer to the first Owner thereof (or to such Owner's nominee), the Developer shall, with respect to each such unsold Lot, have all of the rights granted to the Owners.
- 2) Until the Association shall have been organized and shall have assumed its duties and powers, the Developer shall have all the rights, powers, duties and obligations herein granted to or imposed upon by the Association and shall be authorized and empowered to take all such actions as the Board would have been authorized and empowered to take, if the Association had then been formed. Alternatively, until the initial meeting of the Members, the Developer may appoint the Board (as more fully provided in Section 7.03 of this Article) which shall have the same powers and authority as given to the Board generally.
- 3) Until the Turnover Date Developer shall have the obligation to maintain the common areas and all signs and monuments located thereon and shall pay all expenses and costs in connection with any common areas, including, without limitation, the costs of improving and maintaining the common areas (and any signs or monuments located thereon) and real property taxes payable after the Turnover Date are attributable to the period prior to the Turnover Date, Developer shall reimburse the Association, on a pro rata basis, for such real property taxes. Developer shall, not later than the Turnover Date, convey that portion of the common areas not dedicated to the McHenry County to the Association.
- 4) Developer shall be entitled at all times to conduct sales of Lots from the Property and shall have the right, for itself and its agents, employees, guests and invitees, to utilize roads, streets, common Areas and all other portions of the Property, excluding sold Lots, for such purposes until all Lots in the Property are sold. Developer may at all

times utilize signage, lighting and establish sales offices and model homes as required to conduct its sales and marketing of the Development.

- 5) The Developer, its successors and assigns, shall retain legal title to any common areas until such time as the Association is capable of operating and maintaining same, and covenants that it will convey to the Association fee simple title to the common areas located on the Subject Property as provided for herein, subject to covenants, conditions and restrictions of record, public zoning laws, current real estate taxes, if any, which shall be prorated among the parties, utility easements granted or to be granted for sewer, water, gas, electricity or telephone and any other necessary utilities and public street dedication. If and when additions to any common areas are made, such additional common areas shall be conveyed to the Association, in fee simple title, Such fee simple title shall be free of all encumbrances and liens other than the date when 75% of the Lots in the subject Property are sold and conveyed by Developer to Owners.

ARTICLE VIII

Remedies

Section 8.01: Any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Any Owner found to be in violation by a court of competent jurisdiction of any of the foregoing shall also be liable for reasonable attorney's fees incurred by the person or entity prosecuting such action. The amount of such attorney's fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Owner's lot, enforceable as other liens herein established. Failure of an Owner to enforce any covenant or restriction herein contained shall in non event be deemed a waiver of the right to do so thereafter.

Section 8.02: Any notices required to be sent to an Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage

prepaid to the last known address of such Owner as it appears on the real estate tax records of the McHenry County at the time of such mailing.

Section 8.03: If at any time of times the Owners shall deem it necessary or advisable to re-record this Declaration or any part hereof in the office of the Recorder of Deeds of McHenry County, Illinois, in order to avoid the expiration hereof or of any of the covenants, easements, agreements or other provisions herein contained under any of the provisions of Chapter 83 of the Illinois Revised Statutes presently in force commonly known as the Marketable Title Act, or any other law or statute of similar purpose, they shall submit the matter to the meeting of the Owners called upon not less than ten (10) days written notice, and unless at such meeting at least two-thirds (2/3) of said Owners shall vote against such re-recording, the Owners shall have, and are hereby granted, power to so re-record this Declaration or such part thereof, and such re-recording shall be binding upon all Owners of any part of the Property in every way and with the full force and effect as though such were taken by each of said Owners and re-recorded document executed and acknowledged by each of them.

ARTICLE IX

General Provisions

Section 9.01: This Declaration shall be in full force and effect until August 1, 2026, and thereafter shall automatically extend for successive periods of ten (10) years unless changed, amended, or abrogated, in whole or in part, by a document executed by a majority of the Owners of all Lots subject to this Declaration as such Owners appear of record at 9:00 a.m., July 31, 2026, which is filed for record with the Recorder of Deeds of McHenry County, Illinois,

within twenty-eight (28) days after said July 31, 2026, or by a document which is so executed by said majority as appearing of record at 9:00 a.m., on July 31 of each succeeding ten (10) years, beginning with July 31, 2026, which is filed for record with the Recorder of Deeds of McHenry County twenty-eight (28) days thereafter. In addition, this Declaration may be changed, amended or abrogated at any other time by a document executed by the Owners representing twenty (20) in number of all Lots in the Coral Trails as appear of record at 9:00 a.m. on the date thirty (30) days prior to the date of recording of said amendment with the office of the Recorder of Deeds of McHenry County, Illinois; provided, however, no change, amendment or abrogation shall be effective without the consent of the County.

In the event any July 31 referred to herein as a holiday or other day when the office of the Recorder of Deeds of McHenry County, Illinois is not open to the public for business, determination of ownership shall be as of the close of business on the next previous date when such office was open to the public. The exercise, or failure to exercise, any right of power of amendment herein granted shall not affect subsequent rights of amendment.

Section 9.02: Developer, Association and each Owner or Owners of any of the Property shall have the right, jointly and separately, to use for and obtain a prohibitive or mandatory injunction to prevent the breach of, or to enforce the observance of, the covenants and restrictions above set forth, or any of them, in addition to the right to bring an ordinary legal action for damages. Whenever there shall have been built (or whenever there is being built) on any Lot in the Property any Dwelling or Structure which is and remains in violation of the covenants above set forth, or any of the, for a period of thirty (30) days after actual receipt of

written notice of such violation from Declarant or the Association by the Owner of such Lot, then Developer and Association shall have, in addition to the foregoing rights, the right to enter upon the Lot where such violation exists and such entry and abatement or removal shall not be deemed a trespass. In no event shall the failure of Developer, Association or such Owners to enforce any of the covenants herein set forth due to a particular violation be deemed to be a waiver of the right to do so as to any subsequent violation.

Section 9.03: Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies to entities to make, purchase, sell, insure or guarantee first mortgages covering any Lot ownership, or (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In addition, a Special Amendment shall be also deemed to include, until the Turnover Date, such amendment to this Declaration as Developer elects to record at any time for any other purpose, so long as such amendment will not materially impair the rights of the Owners hereunder to materially increase the expense to be borne by them hereunder. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer

to vote in favor or, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Developer to vote in favor of, make, execute and record Special Amendments. The right of the Developer to act pursuant to rights reserved or granted under this section shall terminate at such time as the Developer no longer holds or controls title to any Lot. If the change impacts or affects any of the County's rights, the County must approve the change in writing before it becomes effective.

Section 9.04: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for development.

Section 9.05: In the event title to any Lot is conveyed to a titleholding trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all obligations, liens or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Lot. No claim shall be made against any such titleholding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply, in whole or in part, against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Lot and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Lot.

Section 9.06: All articles and section hearings set forth herein are intended for convenience only and shall not be given or construed to have any substantive effect on the provisions of this Declaration.

Section 9.07: If a court of competent jurisdiction shall hold invalid or unenforceable any part of any covenant or provision contained in this Declaration, such holding shall not impair, invalidate or otherwise affect the remainder of this Declaration which shall remain in full force and effect.

Section 9.08: At any time or times Developer may assign any or all of its rights conferred on it as set forth in this Declaration and upon its execution of any assignment by Developer, it shall be relieved from any liability arising from the performance or non-performance of such rights or obligations.

Section 9.09: Each Owner of a Lot shall file the correct mailing address of such Owner with Developer and shall notify Developer promptly, in writing, of any subsequent change of address. Developer shall maintain a file of such addresses and make the same available to the Association. A written or printed notice, deposited in the United States Post Office, postage prepaid, and addressed to any Owner at the last address filed by such Owner with Developer shall be sufficient and proper notice to such Owner wherever notices are required in this Declaration.

Section 9.10: The singular shall include the plural wherever the Declaration so requires, and the masculine, the feminine and neuter and vice versa.

Section 9.11: McHenry County maintains the perpetual right and

easement to drain public streets into privately maintained storm sewers and retention areas as may be located or shown on the Subdivision Plat.

IN WITNESS WHEREOF, Michael W. Grismer, as Trustee aforesaid, and Jeffrey C. Grismer, as Trustee aforesaid, have caused there signatures to be affixed hereunto and the date and year first above written.

By: _____

By: _____

STATE OF ILLINOIS
)SS.
COUNTY OF MCHENRY

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Michael W. Grismer, Trustee and Jeffrey C. Grismer, Trustee, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, this ___ day of July, 2001.

Notary Public

My commission expires

This instrument prepared by:
R.J. Dill Building & Development, Inc.
11260 Hillsboro Drive
Huntley, IL 60142
(847) 669-2041