

EXHIBIT D

BY-LAWS OF
GLENMORE WOODS HOMEOWNERS AREA ASSOCIATION

ARTICLE I

GENERAL

1.01 Purpose and Powers. The Glenmore Woods Homeowners Area Association (the "Area Association") shall be responsible for the general management and supervision of the "Premises" (as defined in the Declaration of Covenants, Conditions, Restrictions, Easements and Rights for the Glenmore Woods Subdivision (the "Declaration") pursuant to which the Area Association is to be established and the ownership of the "Common Area" (as those terms are defined in the Declaration) thereof and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration. Further, the Area Association shall have all powers now or hereafter granted by the General Not For Profit Corporation Act of the State of Illinois which shall be consistent with the purposes specified herein and in the Declaration.

1.02 Interpretation. In the case of any conflict between the terms and provisions of the Articles of Incorporation of the Area Association (the "Articles of Incorporation") and the terms and provisions of these By-Laws, the terms and provisions of the Articles of Incorporation shall, in all instances, control and prevail; and in the case of any conflict between the terms and provisions of the Declaration and the terms and provision of these By-Laws, the terms and provisions of the Declaration shall, in all instance, control and prevail.

1.03 Defined Terms. Except as expressly defined herein, all initially capitalized words and phrases used in these By-Laws shall have the same meaning as are ascribed to said words and phrases in the Declaration.

ARTICLE II

OFFICES

2.01 Registered Office. The Area Association shall have and continuously maintain in this State a Registered Office and a Registered Agent whose office shall be identical with such Registered Office. The Area Association may have other offices within or without the State of Illinois as the Board of Directors of the Area Association may from time to time determine.

2.02 Principal Office. The principal office of the Area Association shall be maintained in Lake County, Illinois.

ARTICLE III

MEMBERSHIP

3.01 Voting Members. Every person or entity who is the Residential Lot Owner of a Residential Lot, including Declarant, shall be a Member of the Area Association. Members shall include all Residential Lot Owners. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Residential Lot Owner shall have more than one membership in the Area Association for each Residential Lot owned. Membership shall be appurtenant to and may not be separated from ownership of each Residential Lot. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Residential Lots. If the record owner of fee simple title to a Residential Lot shall be more than one person, all such persons shall be Members, but the voting rights in the Area Association attributable to the Residential Lot shall be exercised in the manner hereinafter provided. If the record owner of fee simple title to a Residential Lot shall be a land trust, corporation, partnership or other legal entity, then the one individual who shall be entitled to exercise the rights and privileges, and who shall be responsible to bear the obligations associated with membership in the Area Association with respect to that Residential Lot shall be designated by the Residential Lot Owner thereof in writing to the Area Association. No Residential Lot Owner shall have any right or power to disclaim, terminate or withdraw from his membership in the Area Association or any of the obligations as such Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such Residential Lot Owner shall be of any force or effect for any purpose.

3.02 Voting Rights in the Area Association. The Area Association shall have two classes of voting membership:

Class A. Class A Members shall be all of the Residential Lot Owners, including Declarant for each Residential Lot that it owns. Class A Members shall be entitled to one (1) vote for each Residential Lot in which is held the interest required for membership in the Area Association. When more than one person holds such interest in a Residential Lot, all such persons shall be Members, but the right to vote for such Residential Lot shall be exercised as they among themselves determine, provided, that in no event shall more than one vote be cast with respect to each Residential Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to one vote for each Residential Lot within the Premises, provided that the Class B Membership shall cease on the first to occur of (the "Class B Area Member Termination Date") (i) seven (7) years from the date of the transfer of the first Residential Lot to a Residential Lot Owner (other than Declarant) and (ii) the date of the transfer of the last Residential Lot to a Residential Lot Owner (other than Declarant).

3.03 Meetings.

(a) Quorum: Procedure. Meetings of the Members shall be held at the Registered Office of the Area Association or at such other place in Lake County, Illinois as may be designated in any notice of a meeting. The presence at any meeting, in person or by proxy, of a majority of the total votes determined pursuant to Section 3.02 above shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of the Members having a majority of the total votes present at such meeting. Any Member, in writing, may waive notice of a meeting, or consent to any action of the Area Association without a meeting.

(b) Initial and Annual Meeting. The initial meeting of the Members shall be held at such time as may be designated upon not less than ten (10) days written notice given by Declarant, provided that such initial meeting shall be held no later than sixty (60) days after the earlier to occur of (the "Transfer Date") (i) seven (7) years from the date of the transfer by Declarant of the first Residential Lot to a Residential Lot Owner (other than Declarant) and (ii) the date on which 80% of the total number of Residential Lots have been transferred to Residential Lot Owners (other than Declarant). Thereafter, there shall be an annual meeting of the Members on the second Tuesday of February of each succeeding year, at 7:30 P.M. If the date for the annual meeting of Members is a legal holiday or general election day, the meeting will be held at the same hour on the first day next succeeding such date which is not a legal holiday or general election day.

(c) Special Meetings. Special meetings of the Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Members, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Area Board or by Members having not less than one fourth (1/4) of the total votes, and delivered not less than five (5) days prior to the date fixed for said meeting. The notices shall specify the day, time and place of the meeting and matters to be considered.

3.04 Notices of Meetings. Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Area Board for the purpose of service of such notice, or to the Dwelling Unit of the Residential Lot Owner with respect to which such voting right appertains, if no address has been given to the Area Board.

3.05 Proxies. At any meeting of Members, a Member entitled to vote may either vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

ARTICLE IV

BOARD OF DIRECTORS

4.01 The Area Board. The direction and administration of the Premises in accordance with the provisions of the Declaration shall be vested in the Area Association's Board of Directors (the "Area Board"), consisting of three (3) persons (individually a "Director" and collectively the "Directors") who shall be elected in the manner hereinafter provided. Subsequent to the Transfer Date, the Members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the number and term of the office of the Directors at any annual meeting, provided that such number shall not be less than three (3), and that the terms of at least two (2) Directors shall expire annually and no Director shall serve for more than three (3) years without standing for re-election. Each Director, with the exception of the Directors initially appointed by Declarant, shall be a Member of the Area Association (including the Declarant); provided, however, that in the event the Member is a corporation, partnership, trust or other legal entity other than a natural person or persons, then a director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, agent or employee of a beneficiary of such trust, or manager or such legal entity, shall, upon written designation given by said Member to the Area Board, be eligible to serve as a Director.

4.02 Determination of Area Board to be Binding. All matters of dispute or disagreement between Residential Lot Owners or with respect to interpretation or application of the provisions of the Declaration or these By-Laws shall be determined by the Area Board as hereinafter provided, which determination shall be final and binding on the Area Association and on all Residential Lot Owners.

4.03 Election of Directors. At the initial meeting of the Members and at all subsequent annual meetings of the Members there shall be elected a Board of Directors for the Area Association. In all elections for Directors, each 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. Five (5) Directors shall be elected at the initial meeting and shall serve until the first annual meeting. At the first annual meeting, the three (3) persons receiving the highest number of votes shall be elected to the Area Board for a term of two (2) years and the two (2) persons receiving the next highest number of votes shall be elected to the Area Board for a term of one (1) year. In the event of a tie vote, the members of the Area Board shall determine which Directors shall have the two (2) year terms and which Directors shall have the one (1) year terms. Upon the expiration of the terms of office of the Directors so elected at the first annual meeting and thereafter, successors shall be elected for the term of two (2) years each. As provided in the Declaration and notwithstanding the aforesaid election procedure, Declarant may appoint an Area Board which shall have the same powers and authority as given to the Area Board generally, as provided hereinafter, and such appointed Area Board shall function until such time as the initial meeting of the Members is held.

4.04 Compensation. Directors shall receive no compensation for their services, unless expressly allowed by the Area Board at the direction of the Members having not less than two-thirds (2/3) of the total votes. Notwithstanding the foregoing, any Director may be reimbursed for reasonable expenses incurred in the performance of his duties.

4.05 Vacancies in the Area Board. Subsequent to the Transfer Date, vacancies in the Area Board, other than as a result of removal pursuant to Section 4.07, including vacancies due to any increase in the number of persons on the Area Board, shall be filled by the remaining Directors or by the Members present at the next annual meeting or at a special meeting of the Members called for such purpose.

4.06 Election of Officers. The Area Board shall elect from among the Directors (1) a President who shall preside over both its meetings and those of the Members, and who shall be the chief executive officer of the Area Board and the Area Association; (2) a Secretary who will keep the minutes of all meetings of the Members and of the Area Board and who shall, in general, perform all the duties incident to the office of Secretary; (3) a

Treasurer who shall be responsible to keep the financial records and books of accounting of the Area Association; and (4) such additional officers as the Area Board shall see fit to elect who shall perform such duties and functions as are assigned or delegated to each such officer by the Area Board. Except for officers designated by Declarant prior to the Transfer Date, all officers shall be Directors.

4.07 Removal of Directors. Any Director may be removed from office by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Director so removed may be elected by the Members at the same meeting or any subsequent meeting called for that purpose.

4.08 Meeting of Area Board. The initial meeting of the Area Board shall be held immediately following the initial meeting of the Members and at the same place. At such meeting the Area Board shall elect its officers to serve until the first annual meeting which shall be held immediately following the first annual meeting of the Members, and at the same place. All subsequent annual meetings of the Area Board shall be held without notice other than the notice for the annual meeting of the Members as provided in these By-Laws, immediately after and at the same place as the annual meeting of Members. Special meetings of the Area Board shall be held upon call by the President or by a majority of the Area Board on not less than forty-eight (48) hours' notice in writing to each Director, delivered personally or by mail or telegram. Any Director may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Area Board taken without a meeting. A majority of the number of Directors shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action may be taken by the Area Board upon the affirmative vote of a majority of those present at its meetings at which a quorum is present.

4.09 Execution of Instruments. All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments shall be signed by such officer or officers, agent or agents of the Area Board and in such manner as from time to time shall be determined by written resolution of the Area Board. In the absence of such determination by the Area Board, such documents shall be signed by the President and countersigned by the Secretary.

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ARTICLE V

POWERS OF THE AREA BOARD

5.01 General Powers of the Area Board. Without limiting the general powers which may be provided by law, the Declaration or these By-Laws, the Area Board shall have the following general powers and duties:

(a) to elect the officers of the Area Association as hereinabove provided;

(b) to administer the affairs of the Area Association and to operate the Premises;

(c) subject to Section 5.04(b) below, to engage the services of a manager or managing agent who shall manage and operate the Premises and the Common Area subject to the terms and provisions of the Declaration;

(d) to formulate policies for the administration, management and operation of the Premises and Common Area subject to the terms and provisions of the Declaration;

(e) subject to the terms and provisions of the Declaration, to adopt rules and regulations governing the administration, management, operation and use of the Premises and the Common Area, and to amend such rules and regulations from time to time;

(f) to provide for the maintenance, repair and replacement of the Common Area subject to the terms and provisions of the Declaration, and payment therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or the managing agent;

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Area to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be the employees of the managing agent);

(h) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Residential Lot Owners of the Residential Lots their respective shares of such estimated expenses, as hereinafter provided;

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(i) subject to the terms and provisions of the Declaration, to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer and signed by Members (including the Class B Member) entitled to cast not less than three-fourths (3/4) of the total votes has been recorded and registered. In the event Class B membership has ceased, then not less than three-fourths (3/4) of the votes of the Class A membership shall be required to make such dedication or transfer effective; and

(j) in accordance with the terms and provisions of the Declaration, to exercise all other powers and duties vested in or delegated to the Area Association by the Articles of Incorporation of the Area Association, the Declaration or these By-Laws.

5.02 Capital Additions and Improvements. The Area Board's powers herein above enumerated shall be limited in that the Area Board shall have no authority to acquire and pay for, out of the maintenance fund, any capital additions or improvements (other than for purposes of replacing or restoring portions of the Common Area subject to all the provisions of the declaration) having a total cost in excess of Five Thousand Dollars (\$5,000.00), nor shall the Area Association authorize any structural alterations, capital additions to, or capital improvements to the Common Area requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00), without in each case the prior approval of the Members holding not less than two-thirds (2/3) of the total votes.

5.03 Tax Relief. In connection with all the Common Area, the Area Board shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments or any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taking or assessing body, which are authorized by law to be assessed and levied on real property and to charge all expenses incurred in connection therewith to the maintenance fund.

5.04 Rules and Regulations; Management

(a) Rules. In accordance with the terms and provisions of the Declaration, the Area Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Premises, and for the health, comfort, safety and general welfare of the Residential

Lot Owners and Occupants of the Residential Lots. Written notice of such rules and regulations shall be given to all Residential Lot Owners and Occupants, and the entire Premises shall at all times be subject to such rules and regulations.

(b) Management. Declarant shall engage the initial management organization under contracts expiring not later than ninety (90) days after the Class B Area Member Termination Date. Thereafter, the Area Board may engage the services of an agent to manage the Premises to the extent deemed advisable by the Area Board and in accordance with the terms and conditions of the Declaration.

(c) Nothing hereinabove contained shall be construed to give the Area Board authority to conduct an active business for profit on behalf of any or all of the Residential Lot Owners.

5.05 Liability of the Directors and Officers of the Area Association. Neither the Directors nor the officers of the Area Association shall be liable to the Residential Lot Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Directors and officers, except for any acts or omissions finally adjudged by a court of competent jurisdiction to constitute gross negligence or fraud. The Residential Lot Owners (including the Directors and the Officers of the Area Association in their capacity as Residential Lot Owners) shall indemnify and hold harmless each of the Directors and each of the officers of the Area Association against all contractual and other liabilities to others arising out of contracts made by or other acts of the Directors and officers of the Area Association on behalf of the Residential Lot Owners or arising out of their status as Directors or officers of the Area Association, unless any such contract or act shall have been finally adjudged by a court of competent jurisdiction to have been made fraudulently or with gross negligence or willful misconduct. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgements paid and amounts paid or received in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any Director or officer of the Area Association may be involved by virtue of such persons being or having been such Director or officer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been fully adjudged in such action, suit or proceeding to be liable for gross negligence, willful misconduct or fraud in the performance of his duties as such Director or officer, or (b) any matter settled or

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compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Area Board, there is not reasonable ground for such person being adjudged liable for gross negligence, willful misconduct or fraud in the performance of his duties as such Director or officer. It is also intended that the liability of each Residential Lot Owner arising out of any contract made by, or other acts of, the Directors or officers of the Area Board, or out of the aforesaid indemnity in favor of the Directors or officers of the Area Association, shall be limited to an amount equal to the total liability thereunder divided by the then total number of Residential Lots. Every agreement made by the Area Board on behalf of the Residential Lot Owners shall be deemed to provide that the Directors are acting only as agents for the Residential Lot Owners, and shall have no personal liability thereunder (except as Residential Lot Owners) and that each Residential Lot Owner's liability thereunder shall be limited to an amount equal to the total liability thereunder divided by the then total number of Residential Lots.

ARTICLE VI

ASSESSMENTS - MAINTENANCE FUND

6.01 Preparation of Estimated Budget Each year on or before December 1, the Area Board will estimate the total amount necessary to pay the cost of wages, materials, taxes, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services authorized by the Area Board pursuant to the Declaration, together with a reasonable amount considered by the Area Board to be necessary for a reserve for contingencies and replacements, and shall, on or before December 15, notify each Residential Lot Owner in writing as to the amount of such estimate ("Estimated Cash Requirement"), with reasonable itemization thereof. The Estimated Cash Requirement shall be assessed equally among all of the Residential Lot Owners other than the Declarant as provided in Article VI of the Declaration. On or before January 1 of the ensuing calendar year, and on the first of each and every month of said year, or on such other date and pursuant to such alternative assessment periods as the Area Board may establish from time to time, each Residential Lot Owner, other than Declarant, shall be obligated to pay to the Area Board, or as it may direct, one-twelfth (1/12) (or such other proportionate fraction conforming to any alternative assessment period) of the assessment made pursuant to this Section, all as more specifically set forth in the Declaration. On or before the date of the annual meeting of each calendar year, the Area Board shall supply to all Residential Lot Owners an itemized accounting of

the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected from the Residential Lot Owners pursuant to assessments made during such year (including amounts collected from the Declarant) and showing the net amount of any surplus or shortfall of the actual expenditures, plus reserves. The Area Board shall upon demand at any time furnish a certificate, in writing, signed by an officer or agent of the Area Association, setting forth whether the assessments on a specified Residential Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment thereon.

6.02 Extraordinary Expenditures. The Area Board shall build up and maintain a reasonable reserve for authorized capital expenditures, contingencies and replacements not originally included in the annual estimate ("Extraordinary Expenditures"). Extraordinary Expenditures which may become necessary during the year shall be charged first against such reserve. If such reserve proves inadequate for any reason, including non-payment of any Residential Lot Owner's assessment, the Area Board may, at any time, levy a further assessment, which shall be divided pro rata among the remaining assessment installments due for such calendar year and assessed equally among the Residential Lot Owners, other than the Declarant. The Area Board shall serve notice of such further assessment on all Residential Lot Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the next assessment installment which is due after the delivery or mailing of such notice of further assessment. All such Residential Lot Owners shall be obligated to pay the adjusted periodic amount. At the time of the closing of the sale of each Residential Lot by Declarant, the Residential Lot Owner shall pay (in addition to the first periodic assessment) to the manager or managing agent, or as otherwise directed by the Area Board, an amount equal to one-sixth (1/6) of the then annual Area Association assessment due for such Residential Lot, which amount shall be used and applied for start-up costs and a working capital fund in connection with all initial operating expenses of the Area Association, the remainder of which will be held for future working capital needs. The Area Board shall have the right to transfer such funds from time to time to the reserve for Extraordinary Expenditures, as hereinabove described.

6.03 Budget for First Year. When the first Area Board elected hereunder (or appointed by Declarant) takes office, it shall determine the Estimated Cash Requirement, as hereinabove defined, for the period commencing on the first day of the month following said election and ending on December 31 of the calendar year following said election. The initial Estimated Cash

Requirement shall be divided over the remaining assessment installment periods of such calendar year and assessed equally to all Residential Lot Owners, other than the Declarant.

6.04 Failure to Prepare Annual Budget. The failure or delay of the Area Board to prepare or serve the annual estimate or adjusted estimate on a Residential Lot Owner shall not constitute a waiver or release in any manner of such Residential Lot Owner's obligation to pay the assessment costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the Residential Lot Owner shall continue to pay the periodic assessment charge at the then existing periodic rate established for the previous assessment period until the Residential Lot Owner receives notice of such new annual or adjusted estimate.

6.05 Books and Records. The Area Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting those parts of the Common Area to be maintained by the Area Association pursuant to the Declaration, specifying and itemizing the maintenance and repair expenses of said parts of the Common Area and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Residential Lot Owner or any representative of a Residential Lot Owner duly authorized in writing or any holder, insurer or guarantor of a first mortgage secured by any Residential Lot at such reasonable time or times during normal business hours as may be requested by such Residential Lot Owner or his representative or such holder, insurer or guarantor. Upon ten (10) days' notice to the Area Board, any Residential Lot Owner shall be furnished with a statement of his account, setting forth the amount of any unpaid assessment or other charges due and owing from such Residential Lot Owner. In addition, the Area Board shall provide for the preceding calendar year, upon the written request of any holder, insurer or guarantor of a first mortgage secured by any Residential Lot, any annual audited or unaudited financial statements which are prepared and distributed by the Area Association to the Residential Lot Owners at the end of each of its respective calendar years, provided, however, that in the event an audited financial statement is not available, 51% or more of the first mortgages (by number) shall upon request, be entitled to have such an audited statement prepared at their expense.

6.06 Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Residential Lot Owners and for such adjustments as may be required to reflect delinquent or

prepaid assessments) shall be deemed to be held in trust for the benefit, use and account of all the Residential Lot Owners. All funds not otherwise employed shall be deposited from time to time to the credit of the Area Association in such banks, trust companies or other depositories as the Area Board may select.

6.07 Delinquent Assessments. Installments of each assessment shall be due on the first day of each applicable assessment period and if not paid when due, shall be delinquent. If payment of said installment of an assessment is not made on or before the 10th day following the date upon which it is due, then (i) the amount of said installment shall bear interest from and after the 10th day following said due date until paid at the rate of eighteen percent (18%) per annum, and (ii) in addition to said interest, the delinquent Residential Lot Owner shall pay to the Area Association a late charge of \$25.00 for each month or portion thereof that said installment remains delinquent, said late charge to cover the Area Association's administrative costs in monitoring and collecting said installment. In addition, the Area Association may bring an action at law against the Residential Lot Owner personally obligated to pay said delinquent installment(s), or may foreclose its lien against said Residential Lot Owner's Residential Lot; and in either event, there shall be added to the amount of such delinquent assessment installment(s) (and in the amount of said lien) interest, late charge(s), and the costs of collection, including reasonable attorney's fees and all court costs. Each Residential Lot Owner, by his acceptance of a deed to a Residential Lot, hereby expressly vests in the Area Association, or their agents, the right and power to bring all actions against such Residential Lot Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien or liens by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Area Association in a manner similar to the type of action instituted to foreclose the lien of a mortgage or deed of trust on real property.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

All Residential Lot Owners shall maintain, occupy and use their Residential Lots, their Dwelling Units and the Common Area only in accordance with the terms of the Declaration and any additional rules and regulations adopted in accordance with the terms and conditions of the Declaration by the Area Board or by the Members.

The Area Board shall have full authority to enforce all such rules and regulations by taking all action as may be necessary.

ARTICLE VIII

COMMITTEES

8.01 Area Board Committees. The Area Board shall establish an Architectural Control Committee and, by resolution, adopted by a majority of the Directors, may establish one (1) or more committees, each of which shall consist of one (1) or more Directors unless otherwise provided by the Declaration; each of said committees, to the extent consistent with law and as provided in its enabling said resolution, shall have and exercise the authority of the Area Board in the management of the Area Association to the extent and only to the extent provided in the Declaration and if so provided, in its enabling resolution; but the designation of such committees and the delegation to any of said committees of any of the Area Board's authority shall not operate to relieve the Area Board, or any individual Director, of any responsibility imposed upon it or him by law.

8.02 Special Committees. Other committees not having and exercising the authority of the Area Board in the management of the Area 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 or in the Declaration, members of each such committee shall be Members of the Area Association, and the President of the Area Association shall appoint the members thereof. Any member thereof may be removed whenever, in the judgement of the Area Board, the best interests of the Area Association shall be served by such removal.

8.03 Term. Each member of a committee shall continue as such until the next annual meeting of the Area Board and until his successor is appointed and shall have been qualified, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

8.04 Chairman. One (1) member of each committee shall be appointed chairman.

8.05 Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

8.06 Quorum. Unless otherwise provided in the Declaration or in the resolution of the Area Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

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8.07 Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws, the Declaration or with rules adopted by the Area Board.

ARTICLE IX

INTERIM PROCEDURE

Until the initial meeting of the Members, Declarant may appoint the Area Board which shall have the same powers and authority as given to the Area Board generally, all as provided in the Declaration.

ARTICLE X

AMENDMENTS

Subject to the rights of Declarant to amend these By-Laws as provided in the Declaration, these By-Laws may be amended or modified from time to time by action or approval of the Members entitled to cast three-fourths (3/4) or more of the total votes computed as provided in Section 3.02. Such amendments shall constitute amendments to the Declaration and as such, shall be recorded in the Office of the Recorder of Deeds of Lake County, Illinois.

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