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Barbara A. Drasca
RECORDER

FIRST AMENDMENT TO STONE CREEK SUBDIVISION NO.1
OWNER'S CERTIFICATE AND DEDICATION

THIS FIRST AMENDMENT TO STONE CREEK OWNER'S CERTIFICATE AND DEDICATION (the "Amendment") is made this 31 day of December, 1997, by Clinton C. Atkins, (the "Developer").

WHEREAS, Developer, being the Owner of over ninety percent (90%) of the Lots, desires to amend the STONE CREEK NO. 1 OWNER'S CERTIFICATE AND DEDICATION attached to that certain Plat of Subdivision for Stone Creek Subdivision No. 1, recorded September 23, 1997 as Document 97R 23338 (the "Owner's Certificate").

NOW THEREFORE, the Owner's Certificate shall be amended by the addition of the following provisions.

Homeowner's Associations

1.1. The Developer shall form an Illinois not-for-profit corporation for The Reserve (Lots now and hereafter beginning with "R") and shall form a second not-for-profit corporation for the following sections of the Subdivision: The Fairways (Lots now or hereafter beginning with "F"); The Greens (Lots now or hereafter beginning with "G"); and The Highlands (Lots now or hereafter beginning with "H"). The Developer shall form a third Illinois not-for-profit corporation for the maintenance of common areas situated along Stone Creek Boulevard but outside any of the foregoing sections of the Subdivision. All Lot owners shall become members of the Stone Creek Boulevard Association. Each not-for-profit corporation shall provide for maintenance and operation of the Common Areas within each such section and in general to maintain and promote the desired character of each section of the Stone Creek No. 1 Subdivision. The following provisions of this Amendment shall apply to each such section of

the Subdivision and their respective Associations.

1.2. (a) The Association shall have a Board of not less than five (5) directors who shall be elected by the Members of the Association at such intervals as the articles of incorporation and By-Laws of the Association shall provide, except (i) that vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled by the Board if so provided by the articles of incorporation or By-Laws and (ii) that the first Board and subsequent Boards (until the Turnover Date) shall be appointed by the Developer. Except for directors of the Board appointed by the Developer, all directors shall be Members of the Association. The Developer may, from time to time, by written notice to the Association, elect to relinquish his right to appoint any one or more directors and continue to exercise its right to appoint the remaining directors of the Board until the Turnover Date.

(b) 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 provided otherwise by the corporate 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 the Board from time to time and its officers under the direction of the Board, and shall not be subject to the approval of the Members. The directors and officers of the Association shall not be liable to the Owners or any others for any mistake of judgment or any acts or omissions made in good faith as such directors or officers.

1.3. The Developer shall, through the Board appointed by it in accordance with Section 1.2, exercise control over all Association matters, until the first to occur of the following: (a) the date which is twenty (20) years from the date of the Owner's Certificate, (b) the date of the sale and conveyance of legal title to seventy-five percent (75%) of the Lots to Owners other than Developer or an assignee of Developer occurs, or (c) the date Developer elects voluntarily to turn over to the Members the authority to appoint the Board, which election shall be made by directing the Developer to execute and record in the Office of the Recorder of Deeds of Champaign County, Illinois an instrument setting forth his intention to so turn over its authority hereunder. The date upon which the authority to appoint the Board passes to the Members is hereinafter referred to as the "Turnover Date." On or prior to the Turnover Date, the Developer shall cause Developer to convey to the Association, and the Association

shall accept, the Common Area to be owned by the Association hereunder and the Association shall maintain the Common Area as required hereunder.

1.4. (a) Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Nothing herein contained shall be interpreted to exclude Developer from membership while the Developer or any of his successors in interest owns one or more Lots.

(b) From and after the Turnover Date, each Member shall be entitled to one (1) vote for each Lot owned by him on each matter submitted to a vote of Members; provided, however, that where there is more than one Owner of a Lot, such co-owners of a Lot shall only be entitled to one vote.

1.5. The Association, through the Board, shall have the power and duty to:

(a) Own, maintain and otherwise manage the Common Area and all Improvements thereon and all other property acquired by the Association or which the Association agrees to maintain, including any obligation to maintain any landscaping located in concrete islands, cul-de-sacs and median strips in the dedicated roads or streets which are within the Property and to maintain any signage and lighting located thereon;

(b) 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 by Developer shall give the Association the right to terminate without cause or penalty not later than ninety (90) days after the date the initial meeting of the Members of the Association is held as provided in the By-Laws;

(c) Establish and maintain a Contingency and Replacement Reserve in an amount to be determined by the Board;

(d) At its option, mow, care for, maintain and remove rubbish from any vacant or unimproved portions of the Property and to do any other things necessary or desirable in the judgment of the Board to keep any vacant or unimproved portions of 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 Developer;

(e) Make such improvements to the Common Area and provide such other facilities and services as may be authorized from time to time by the affirmative vote of two-thirds (2/3) of the Members of the Association acting in accordance with its articles of incorporation and By-Laws, provided, however, that any such action so authorized shall always be for the express purpose of keeping Sone Creek Subdivision No. 1 a highly desirable residential community; and

(f) Exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Members by this Declaration, the articles of incorporation or the By-Laws.

1.6. The Board, officers of the Association and the employees and agents of any of them shall not be liable to the Owners or any other person for any mistake of judgment or for any acts or omissions of any nature whatsoever in their respective positions, except for such acts or omissions found by a court of competent jurisdiction to constitute willful misfeasance, gross negligence or fraud. The Owners shall indemnify, hold harmless, protect and defend the foregoing parties against all claims, suits, losses, damages, costs and expenses, including without limitation, reasonable attorney's fees and amounts paid in reasonable settlement or compromise incurred in connection therewith. The burden of the foregoing indemnity shall be borne by the Owners at the time such loss, damage, cost or expense is incurred in the same proportion as assessments are borne by the Owners.

1.7. (a) Until the Turnover Date, the Developer shall have all the rights and powers herein granted to the Association and shall be authorized and empowered to exercise all power and authority of the Board.

(b) Until the Turnover Date, Developer shall have the right, but not the obligation, to maintain the Common Area and all signs and monuments located thereon and, in its sole discretion, pay all expenses and costs arising in connection with the Common Area, including, without limitation, the costs of improving and maintaining the Common Area (and any signs and monuments located thereon) and general real estate taxes payable in connection with the Common Area. To the extent that any 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.

(c) Developer shall be entitled at all times to conduct sales of Lots from the Property and shall have the right, for himself and his agents, employees, guests and invitees, to utilize roads, streets, Common Area and all other portions of the Property, excluding sold Lots, for such purposes until all Lots are sold. Developer may at all times utilize signage, lighting and establish sales offices and model homes as required to conduct his sales and marketing of the Property.

Assessments

2.1. Each Owner, by taking title to a Lot, shall be deemed to have covenanted and agreed to pay to the Association annual assessments or charges and special assessments for capital improvements and unforeseen expenses, to be collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a lien on the Lot against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorneys' fees shall be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation of an Owner shall not pass to his successors in title unless expressly assumed by them.

2.2. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents of the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to these purposes and related to the use and enjoyment of the Common Area. Such uses shall include, without limitation, the cost of all general real estate taxes, insurance, repair, replacement and maintenance and other charges required or permitted by this Declaration and the cost of those items that the Board shall determine to be necessary or desirable to meet the purposes of the Association, including without limitation the establishment and maintenance of a Contingency and Replacement Reserve. The annual assessments provided for herein shall commence for each Lot on March 1, 1998. The annual assessment for each of the first three years shall be as follows:

The Fairways,	\$	25.00
The Greens and		
The Highlands		
The Reserve	\$	25.00
Stone Creek	\$	50.00
Boulevard		

Notwithstanding anything to the contrary contained herein, prior to the Turnover Date, special assessments in any calendar year may not exceed \$500.00 per Lot without written consent from a majority of the Owners with each Owner leaving one vote for each Lot owned by him, except Developer who shall have no votes on such assessment.

2.3. Thereafter, each year on or before November 1, the Board will estimate the total amount of maintenance expenses necessary to pay the cost of wages, materials, taxes, insurance, services, supplies and any other necessary or desirable items which will be required during the ensuing calendar year (January 1-December 31) for services authorized by the Board, together with a reasonable amount necessary to fund the Contingency and Replacement Reserve, and shall, on or before December 1, notify each Owner in writing of the amount of such estimate ("Estimated Cash Requirement"). Such Estimated Cash Requirement shall be prepared on a line-item basis. The Estimated Cash Requirement shall be assessed equally among all of the Owners excluding the Developer. On or before January 1 of the ensuing fiscal year, each Owner shall be obligated to pay to the Board, or as it may direct, the annual assessment made pursuant to this Section. On or before the date of the annual meeting of each calendar year, the Board shall furnish to all Owners an itemized accounting of the maintenance expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected from the Owners pursuant to assessments made during such year and showing the net amount over or short of the actual expenditures, plus reserves. The Board 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 or nonpayment of any assessment thereon.

2.4 (a) The Board shall build up and maintain a reserve for the replacement of capital improvements, other authorized capital expenditures and for unforeseen expenditures (the "Contingency and Replacement Reserve"). Capital improvements and expenditures which may become necessary during the year shall be charged first against the Contingency and Replacement Reserve. Any expenditure from the Contingency and Replacement Reserve having a cost in excess of Ten Thousand Dollars (\$10,000.00) shall require the prior approval of the Members holding two-thirds (2/3) of the votes of the Association.

(b) If the Contingency and Replacement Reserve proves inadequate for any reason, including nonpayment of any Owner's

assessment, the Board may, at any time, levy a special assessment, which shall be assessed equally among the Owners, excluding the Developer. The Board shall serve notice of any such special assessment on all such Owners by a statement in writing giving the amount and reasons therefor, and such special assessment shall become effective and fully payable ten (10) days after the delivery or mailing of any such notice of assessment.

2.5. When the first Board elected by the Members hereunder takes office, it shall determine the Estimated Cash Requirement for the period commencing on the first day of the month following the Turnover Date and ending on December 31 of the calendar year in which the Turnover Date occurs. The initial Estimated Cash Requirement shall be assessed equally among the Owners, excluding the Developer.

2.6. The failure or delay of the Board to prepare or serve the Estimated Cash Requirement on any Owner shall not constitute a waiver or release in any manner of any Owner's obligation to pay his share of such Estimated Cash Requirement as herein provided, as and when the Estimated Cash Requirement shall be determined, and, in the absence of the preparation of the Estimated Cash Requirement, the Owner shall continue to pay his share of such Estimated Cash Requirement at the then existing annual rate established for the previous calendar year, subject to adjustment at such time as the Estimated Cash Requirement has been prepared and the Owners have been notified thereof.

2.7. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures pertaining to the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses so incurred. Such records and the vouchers authorizing the payments described therein shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, or any holder of a Mortgage at such reasonable time or times during normal business hours when requested by an Owner or by the holder of a Mortgage. Upon five (5) days' prior written notice to the Board, any Owner shall be furnished a statement of his account, which statement shall set forth the amount of any unpaid assessments or other charges due and owing from such Owner.

2.8. All funds collected hereunder shall be held and expended for the purposes designated herein, and are hereby held in trust for the benefit, use and account of all Owners. All funds not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies

or other depositories as the Board may select.

2.9. Any assessments or other charges which are not paid when due shall be delinquent. If the assessment or charge is not paid within thirty (30) days after the due date, the assessment shall bear interest from and after the due date at the lesser of the rate of twelve percent (12%) per annum or the highest rate allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Owner's Lot, and interest, costs and reasonable attorneys' fees incurred in any such action shall be added to the amount of any such overdue assessment. To the extent permitted by any decision or any statute or law 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 any such Owner when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of mortgage liens against real estate. The directors of the Board and their successors in office, acting on behalf of the other Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey any interest so acquired. To the fullest extent permitted by law, any court shall be authorized to restrain the defaulting Owner from reacquiring his interest at such foreclosure sale.

2.10. The lien of assessments provided for herein shall be subordinate to the lien of any Mortgage now or hereafter placed on the Lots. 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 for assessment authorized by this Declaration so long as any such lien shall have arisen prior to the date of recording of any such deed.

Reaffirmation

Except as specifically modified hereby, the Owner's Certificate is reaffirmed in its entirety. In the event of a conflict between any provision of this Amendment and any provision of the Owner's Certificate, the provisions of this Amendment shall control.

