

SUMMARY OF THE FAIRWAY RIDGE UMBRELLA DECLARATION

Following is a description of how the Umbrella Declaration for Fairway Ridge is set up and how it will operate.

I. Categories of Real Estate.

A. Development Area. The Development Area is described in Exhibit A to the Umbrella Declaration and consists of real estate which could be added to the Umbrella Declaration. The Development Area consists of real estate which is currently owned by Cambridge, real estate which Cambridge has under contract and real estate which Cambridge may acquire in the future.

B. Premises. The Premises will consist of those portions of the Development Area which have been specifically made subject to the terms of the Umbrella Declaration. The Premises will be legally described in Exhibit B to the Declaration and Exhibit B will be supplemented from time to time as additional real estate is added to the Umbrella Declaration.

C. Dwelling Units. In most cases a Dwelling Unit will consist of a subdivided lot on which a home is constructed. In some cases the subdivided lot will include a single family home and a yard which will be owned by the homeowner. In other cases the lot will be defined by the foundation of a townhome style unit and will not include any yard. In still other cases a Dwelling Unit may consist of a condominium unit.

D. Community Area. Community Area will be portions of the Premises which will be owned by the Umbrella Association and which will be available for use and enjoyment by all Owners of Dwelling Units in the Development. Examples of Community Area include the entry area, park areas or wetlands which will serve the entire Development.

E. Limited Community Area. Limited Community Area will be Community Area which is made available for the use and enjoyment of less than all of the Owners of Dwelling Units. Limited Community Area will be owned by the Umbrella Association. An example of what could be a Limited Community Area is a small park or playground area which will be available for use by the Owners of the Dwelling Units in the immediate area of the park or playground.

F. Neighborhoods/Neighborhood Facilities. A Neighborhood is defined as a portion of the Development consisting of a group of Dwelling Units and may include something which is designated as a Neighborhood Facility. A Neighborhood Facility will be a portion of the Premises which is owned by the Umbrella Association but which is available for use only by

Owners of Dwelling Units in a particular Neighborhood. For example, one Neighborhood may consist of all of the lots in the northern portion of the Development. The Neighborhood Facility for this Neighborhood may be a parcel of real estate upon which will be constructed a recreational facility which will be available for use only by Owners of Dwelling Units in the Neighborhood. Another Neighborhood may consist of the townhome style homes which are located in a particular portion of the Development. The Neighborhood Facilities for a Neighborhood which consists of townhomes would include the private roads which serve the homes and the green space surrounding the homes.

G. Privacy Areas. A Privacy Area can be designated by the Declarant or the Umbrella Association Board and it will consist of a portion of either the Community Area or a Neighborhood Facility which will be set aside for the exclusive use of the Owner of a specific Dwelling Unit. The Owner will be permitted to construct a patio or a deck on the Privacy Area or may install a garden in the Privacy Area. The Privacy Area concept will probably be used in connection with the townhomes, where Privacy Areas will be carved out of the green space which will be part of the Neighborhood Facility for the Neighborhood which includes the townhomes.

II. Maintenance Responsibility; Allocation of Cost.

A. Community Area. The Community Area will be owned and maintained by the Umbrella Association and the cost of maintenance will be shared among all of the Owners of Dwelling Units in equal amounts for each Dwelling Unit.

B. Limited Community Area. Limited Community Area will be owned and maintained by the Umbrella Association and the cost of maintenance will be shared among the Owners of Dwelling Units who have the right to use the Limited Community Area in equal amounts for each Dwelling Unit.

C. Neighborhood Facilities. Neighborhood Facilities will be owned and maintained by the Umbrella Association and the cost of maintenance will be shared among Owners of Dwelling Units in the Neighborhood in equal amounts for each Dwelling Unit.

D. Neighborhood Wide Services. Neighborhood Wide Services will be services furnished by the Umbrella Association to all homes within a Neighborhood, such as exterior maintenance to townhomes. The cost of Neighborhood Wide Services will be allocated shared the Owners of Dwelling Units in the Neighborhood in equal amounts for each Dwelling Unit.

E. Special Services. Special Services will be services furnished by the Umbrella Association to designated Dwelling Units. Special Services may include snow removal and/or

lawn care. The cost of furnishing a Special Service will be charged to the Owner of the Dwelling Unit who receives the service.

F. Dwelling Unit Maintenance. In general each Owner will be responsible for maintaining his Dwelling Unit and, if his Dwelling Unit is located on a subdivided lot, maintaining the portions of the lot, if any, which are not improved with his home. However, certain services will be furnished by the Umbrella Association, including Neighborhood Wide Services or Special Services, discussed above. If a Condominium Association is created on part of the Premises or if a non-condominium Homeowners Association which is separate from the Umbrella Association is created on part of the Premises, then the Condominium or Homeowners Association may be obligated to furnish certain maintenance services to Dwelling Units. In any case, if the Umbrella Association Board determines that a particular Dwelling Unit is not being properly maintained, then it can cause the maintenance to be done and charge the cost to the Owner of the Dwelling Unit or to the Condominium or Homeowners Association which is responsible for the maintenance.

G. Privacy Areas. Each Privacy Area will be maintained by the Owner of the Dwelling Unit to which it is assigned.

III. Restrictions. The Umbrella Declaration imposes certain restrictions on the use and occupancy of the Premises. In particular, Article Four of the Umbrella Declaration prohibits obstructions of the Community Area or any Neighborhood Facility and prohibits obnoxious or offensive activity anywhere on the Premises. Also, Article Four prohibits the raising of pets in the Community Area or any Neighborhood Facility and provides that the Umbrella Association Board can require an Owner to remove from the Premises a pet which is causing a nuisance or is unreasonably disturbing other Owners. Article Four also contains restrictions on parking. Article Five deals with architectural controls and essentially provides that no change may be made to the exterior of a Dwelling Unit, including a change in color or a material change in landscaping without the approval of the Umbrella Association Board or its authorized committee. Exhibit D to the Declaration may contain Special Use restrictions which are imposed on Dwelling Units. In addition, the Umbrella Association Board has the right and power to adopt rules and regulations which could impose additional restrictions on the use of Dwelling Units, Community Area and Neighborhood Facilities.

IV. Administration of the Umbrella Association.

A. In General.

The Umbrella Association will be an Illinois not for profit corporation and it will be run by its Board of Directors. Prior to the Turnover Date the Board of Directors will consist of three individuals designated from time to time by the Declarant. After the Turnover Date the Board of Directors will consist of seven persons, each of whom shall be an Owner or a Voting Member. Each Neighborhood will have a Neighborhood Committee consisting of five individuals who are either Owners or Voting Members representing Dwelling Units in the Neighborhood. Prior to the Turnover Date, there will be no Neighborhood Committees and the Declarant or Declarant's beneficiary will serve the function of the Neighborhood Committee. The Neighborhood Committees will advise and consult with the Board of Directors and will work with the Board in the preparation of a budget for the Neighborhood and in making decisions as to maintenance, repair and replacement of those portions of the Neighborhood which are to be maintained by the Umbrella Association and the furnishing of Neighborhood Wide Services. Maintenance of the Community Area, including Limited Community Area, and the furnishing of Special Services will be controlled by the Board of Directors without the necessity of consulting with any Neighborhood Committee.

B. Budgets and Assessments.

The Umbrella Association Board will be required to adopt and furnish to each Owner appropriate budgets designating what the various monthly assessments will be. Each Owner of a Dwelling Unit will be required to pay the Community Assessment which will be levied to collect funds to pay for the general administration of the Umbrella Association and the maintenance, repair and replacement of the Community Area other than Limited Community Area. If a Dwelling Unit has Limited Community Area assigned to it, then its Owner will also have to pay a Limited Community Area Assessment to cover the cost of maintaining the Limited Community Area and the Board will establish a budget for such costs. If a Dwelling Unit is part of a Neighborhood, then its Owner will also be required to pay a Neighborhood Assessment pursuant to a budget for the Neighborhood adopted by the Umbrella Association Board in consultation with the Neighborhood Committee for the Neighborhood. If a Dwelling Unit is entitled to receive Special Services, then its Owner will also pay for such Special Services as directed by the Umbrella Association Board.

C. Enforcement.

The failure or refusal of an Owner to comply with the requirements of the Umbrella Declaration or rules and regulations adopted by the Umbrella Association Board will expose the Owner

to various sanctions which maybe imposed by the Umbrella Association Board. The sanctions include levying fines, imposing and, if necessary, foreclosing a lien on the Owner's Dwelling Unit for non payment of assessments or other charges due to the Umbrella Association, suspension of the Owner's right to use recreational facilities and certain self help remedies, all of which are more fully described in the Umbrella Declaration.

V. Declarants Reserved Rights.

A. Control of Association.

The Declarant will retain control of the Umbrella Association prior to the Turnover Date. During this period, the Declarant will exercise control by casting all of the votes, having the right to appoint all members to the Umbrella Association Board (which, prior to Turnover will consist of three members) and by exercising the rights and powers of the various Neighborhood Committees.

B. Assessments.

The Sections of the Umbrella Declaration which deal with assessments have special provisions for the period prior to the Turnover Date. Basically, the Umbrella Association Board will establish a fully built out budget for the Community Area, each Limited Community Area and each Neighborhood and the Owners of Dwelling Units, other than the Declarant, will pay assessments based on the fully built out budget. To the extent that the fully built out budget comes up short and not enough assessments are levied against Owners of Dwelling Units other than the Declarant to pay the current operating expenses, then the Declarant will be required to subsidize the shortfall. The Declarant will not, however, be required to fund reserve build ups. This arrangement will continue with respect to the entire development until the Turnover Date.

C. Add On Rights

The Declarant will retain the right to add portions of the Development Area to the Umbrella Declaration for 10 years after the Umbrella Declaration is first recorded. Each time portions of the Development Area are added to the Umbrella Declaration, a Supplement will be recorded which will amend Exhibit B to describe the real estate which is being added to the Declaration and to designate what portions of the Added Premises will be Dwelling Units, Community Area, Limited Community Area, Privacy Areas, Neighborhood Facility or part of a Neighborhood. If any of the Added Dwelling Units will be subject to Special Use Restrictions, then those restrictions will be set forth in a supplement to Exhibit D. If any of the Added Dwelling Units will receive Special Services, it should be so provided in a

supplement to Exhibit C. When a new Neighborhood is created with respect to which the Umbrella Association will be required to furnish Neighborhood Wide Services, then Exhibit B should contain provisions describing the Neighborhood Wide Services.

As Community Area or Neighborhood Facilities are made subject to the Umbrella Declaration, they will be conveyed to the Umbrella Association free of any mortgage.

073090.006