

*WALNUT WOODS HOMEOWNERS ASSOCIATION
c/o Caruso Management Group, Inc.
800 W. 5th Ave., Suite 110B
Naperville, IL 60563*

February 26, 2007

A large, bold, black stamp that says "COPY" with a small icon of a document with a folded corner to its left.

To all Walnut Woods Homeowners:

Below is a copy of the proposed change to Walnut Woods Rules and Regulations, Section III, Playsets, page 5 of 6. The proposed change will be voted on by the Board of Directors at the upcoming meeting on March 8, 2007 at 7:00 p.m. The meeting will be held at the Sugar Grove Community House, 141 Main Street, Sugar Grove, IL 60554.

Play Equipment/set:

Play equipment/set is defined as any object(s) placed or setup with the designed intent for the use of "play." Play as defined by dictionary.com is: exercise or activity for amusement or recreation. Specific items are protected by the covenants including baby pools under 6' diameter or in ground pools enclosed by fencing and related pool toys during a reasonable swimming season; as well as, Patio furniture on patio, porch, or deck immediately connected to the dwelling. This clarification does not ban the setup of play sets, toys, trampolines, or basketball hoops, party blow-ups, etc. that are placed on the lot for immediate use and removed in a timely fashion. As stated in other WWHOA documents, temporary is defined as 48 hours or less in a 2 week period of non-use. All Play sets that are to permanently remain - must be approved by the board/appearance committee. Currently only wooden (preferably cedar) play sets, cemented poles, and fenced in ground pools are supported by these covenants.

Board ethics and eligibility to be a board member:

Any home or board member with a current violation of covenants, by-laws, or Rules & Regulations may not vote. A current violation is defined as any notice of such not resolved in 30 days. Any Board member that has had a violation in the last 365 days may not sit in session in any discussion or review of like topics. If this leaves only one board member, then additional board members may be brought in according to the covenants.

If you have any questions, please contact Caruso Management Group at (630) 717-7188 or email: Marcia@carusomanagementgroup.com.

Sincerely,

A handwritten signature in black ink that reads "Marcia Caruso".

Marcia Caruso, CPM
As Agent for the Board of Directors
Walnut Woods Homeowners Association

WALNUT WOODS - RULES & REGULATIONS

The following are the Rules and Regulations of the Walnut Woods Home Owners Association in keeping with the Declaration of Covenants, Conditions and Restrictions of said Association and the General Not For Profit Corporation Act of 1986 of the State of Illinois as amended from time to time.

I. RULES REGARDING FINES FOR NON-PAYMENT OF ASSESSMENTS OF ANY NATURE

A. All assessments and any special assessments or other lawful charges of the Association are due and payable monthly on the first (1st) day of each month for which they are assessed. Any payment of the foregoing which is received after the thirtieth (30th) day of each month shall be considered late. All payments received will be applied in such manner as determined by the Board.

B. Any payment of less than the full amount of all assessments and other charges which are due in any given month or any payment which is made late shall cause the Owner to be subject to a Late Charge of ten and no/100 dollars (\$10.00) for that month which shall be added to and deemed a part of the Owner's Common Expenses. Any assessment and all other amounts and charges which are delinquent for fifteen (15) days or more shall give rise to a late charge.

II. RULES REGARDING FINES FOR VIOLATIONS OF THE DECLARATION, BY-LAWS, RULES AND REGULATIONS OR ANY AMENDMENTS THERETO

A. In accordance with Article X, Remedies for Breach or Violation, any violation not corrected within fourteen (14) days following the date of the first written demand to cease and desist from the alleged violation will cause a fine of Twenty-five and no/100 dollars (\$25.00) to be added to and deemed a part of the next monthly assessment. If after thirty (30) days the violation is not cured, the fine will go to an additional Twenty-five and no/100 dollars (\$25.00) per day until the violation is corrected. Fines for violations will incur late fees in accordance with Article I. (B) above.

III. GENERAL RULES

Alterations, Additions to Property The Declarant is hereby granted the right and power to make such alterations, additions or improvements to the Property and improvements thereto (including landscaping) as the Declarant deems to be necessary or appropriate, provided that such permit as may be required by the Village shall be obtained. In connection with the rights provided in this Section, the Declarant, its agents and contractors, shall have the right of ingress, egress and parking on the Property and the right to store construction equipment, vehicles and materials on the Property without the payment of any fee or charge whatsoever.

Use Limitations The Lots shall be used only for residential purposes, as a private residence, and no professional, business or commercial use shall be made of the same or any portion thereof, nor shall any Occupant's or Owner's use of a Lot endanger the health or disturb the reasonable enjoyment of any other Owner or Occupant, except that professional and quasi-professional persons may use their Dwelling Unit as an ancillary or secondary facility to an office elsewhere. The foregoing restrictions as to Lots shall not, however, be construed in such manner as to prohibit a resident from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions. This Section shall also not be deemed to prohibit an Owner from caring for no more than four (4) unrelated children at any time within such Owner's Dwelling Unit.

Limits on Structures No tool or storage sheds, television antenna, animal houses (unless approved by the Board) or other structures (except as are specifically identified in this Declaration) shall be constructed on any Lot. There shall be no construction on any Lot which results in a building or Structure inconsistent with the general architectural design and aesthetic flavor of either (a) the Dwelling Unit on such Lot or (b) the remainder of the Dwelling Units on the Property.

Building Codes All Structures shall be constructed in accordance with applicable governmental building codes and zoning ordinances of the Village. If and to the extent there is any conflict between this Declaration and the provisions of any ordinances, codes, rules and regulations of the Village, such conflict shall be resolved by the application of the more stringent provision as between this Declaration and such ordinance, code, rules and regulations of the Village.

Temporary Structures Except as otherwise provided by Section 9.07 hereof, no Structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding shall be used as a residence or for any other purpose, either temporarily or permanently.

Advertising Signs No advertising sign (except one "For Sale" sign of not more than five square feet), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on any Dwelling Unit or Lot, except as provided in Section 9.07 hereof and except that during the two (2) week period prior to and during the one (1) week period subsequent to, a primary or general election, one (1) political sign may be maintained on an individual Lot or Dwelling Unit.

Declarant Temporary Facilities The Declarant may maintain, while engaged in construction and sales activities, in or upon such portions of the Property as Declarant shall determine, such temporary facilities as in its sole discretion may be necessary or convenient including, but without limitation, offices, storage areas, model units, signs, temporary fencing, monuments, communication antennas and sales and construction trailers, or other items as otherwise provided for in this Declaration.

Animals No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs and cats (not to exceed a total of four (4) such pets) or other common household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purposes.

Garbage All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Dwelling Units and streets; shall be regularly removed from the Property, and shall not be allowed to accumulate thereon; and shall be placed out for collection on the driveway of the Dwelling Unit and at no other location. Garbage may not be burned on the Lots. Garbage shall be placed in appropriate covered containers and kept in the garage until the designated day of pick-up. Under no circumstance shall the container impede access to streets, alleys or driveways of other Owners.

Laundry Drying of clothes shall be confined to the interior of the Dwelling Units. No

clothes, sheets, laundry, blankets or other articles of clothing shall be hung out in any portion of the Property.

Adverse Activities An Owner of a Lot shall do no act nor allow any condition to exist which will adversely affect the other Lots or their Owners.

Mailboxes If Declarant shall install a mailbox on a Lot or for use by an Owner, the respective Owner shall be responsible for maintaining, in good condition and repair, such mailbox and to replace, if necessary, said mailbox as approved by the Appearance Control Committee, as such term is defined in this Declaration.

Offensive Activities No nuisance, noxious or offensive activity shall be carried on in the Property nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or Occupants of any Dwelling Units on the Property.

Plant Disease and Insects No plants, seeds, or other things or conditions harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of the Property.

Parking Areas and Driveways Passenger vehicles shall be parked first in the garages and then in the driveways serving the units, provided that no vehicle shall be parked in such a manner that it blocks access to another Unit's driveway or garage. Overhead garage doors must be kept closed on a consistent basis. No part of any Lot shall be used for storage use, including storage of recreational vehicles or overnight parking of mobile homes, trailers, trucks, vans, buses, commercial vehicles, snowmobiles or boats except within the confines of a garage and further excepting the temporary parking of such vehicles for no more than forty-eight (48) hours. No repair or body work of any motorized vehicle shall be permitted except within the confines of the garage. Any violation of this provision shall be deemed a nuisance under Section 9.13 hereof. The Association is expressly authorized to enforce the provisions of this Section by ticketing and fining any Owner who violates this Section, and towing offending vehicles, trailers, boats, trucks, vans, buses or snowmobiles. All fines imposed and all expenses incurred by the Association in enforcing this Section shall become an obligation owed by the subject Owner to the Association, and shall be a lien created and enforced in the same manner as provided for in Section 6.04 of the Codes, Covenants and Restrictions. The Association is specifically authorized to enter into a contract with any local municipality or unit of government, or with any private firm or entity, to provide services reasonably required to enforce the terms and provisions of this Section.

Radio Equipment The operation of "ham" or other amateur radio stations or the erecting of any communication antenna, receiving dish or similar devices shall not be allowed except as otherwise provided in this Declaration.

Electric Wires No lines or wires for communication or the transmission of electric current or power shall be constructed, placed or permitted to be placed anywhere in the Property other than within buildings or structures or attached to their walls, unless the same shall be contained in conduits or approved cables constructed, placed and maintained underground.

Landscape Maintenance Except as otherwise provided in this Declaration, each Owner shall regularly mow and trim all areas of his Lot covered with ground cover, and shall keep all areas of his Lot designed or intended for the proper drainage or detention for water, including swale lines and ditches unobstructed and shall mow and maintain such areas regularly so as to keep such areas in good and functional condition. No trees, plantings, shrubbery, fencing, patio structures, landscaping treatment or other obstructions shall be planted, placed or allowed to remain in any such areas and no Owner shall alter the rate or direction of flow of water from any Lot by impounding water, changing rate, blocking or regrading or redirecting swales, ditches or drainage areas or otherwise. No owner shall install, remove or otherwise place any patios, structures, trees,

plantings or landscape treatments in any Landscape Easement Area without the prior written consent of the Board or the Appearance Control Committee.

Fences Fences are prohibited on the Property except for fencing around in-ground swimming pools as required by Illinois statute and approved by the Appearance Control Committee.

Specific Prohibition of Fences on Certain Lots. Notwithstanding anything to the contrary contained in this Declaration, no fences of any kind, including fences around swimming pools, are permitted on Lots 1 through 12 inclusive. This section may only be amended, modified or changed with the prior written approval of the Village. Any amendment, change or modification of this section without the Village's prior written approval shall be ineffective and the Association and the Village shall have and are hereby irrevocably granted the right to enter in, on and upon Lots 1 through 12 inclusive to remove any such fence and the Owner of any such affected Lot shall reimburse the Village or Association for all costs incurred including ancillary and reasonable attorneys fees and costs.

Swimming Pools No Owner or Occupant shall construct an in-ground swimming pool of any type or size, on any of the Lots except with the written consent of the Board or Appearance Control Committee. Above ground pools are prohibited except that a portable child's swimming pool not greater than six (6) feet in diameter may be maintained and situated on a deck or an enclosed area of each Dwelling Unit. Owners shall comply with all state and municipal laws and ordinances regarding the installation and maintenance of swimming pools.

Use of Common Area The Common Area shall be used only by the Owners and their tenants, contract purchasers, agents, servants, family members, guests and invitees for access and ingress to and egress from their respective Dwelling Units and for purposes incidental to the residential use of the Dwelling units; provided, however, that any recreational facilities, parking area or other special area designed for a specific use and purpose and constituting part of the Common Area shall be used only for such specific use and for such other uses and purposes as are approved by the Board in accordance with the provisions of this Declaration and the By-Laws. Such uses and purposes as well as the maintenance and operation of the Common Area shall not be obstructed, damaged or unreasonably interfered with by any Owner.

Satellite Dishes Any satellite dishes must be installed and maintained in strict adherence to and compliance with the Federal Communication Commission Ruling regarding satellite dishes and antennae adopted on August 5, 1996 and any subsequent FCC rulings and subject to the Rules and Regulations of the Association.

Maintenance of Dwelling Units Each Owner shall maintain his Dwelling Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Dwelling Unit or the Common Area which may increase the cost or cause the cancellation of insurance on other Dwelling Units or on the Common Area.

Window Air Conditioning Units No window air conditioning units may be installed or operated on any Dwelling Unit.

Basketball Hoops Basketball hoops must be installed in accordance with the then current Rules and Regulations of the Association and approved by the Board or Appearance Control Committee.

Flags No flag poles shall be allowed in the front or side yard. Flag poles placed in the backyard must be set in concrete, properly secured and not visible from the street in the front of the dwelling on the Lot. A short, temporary flagpole may be attached to the front porch for the purpose of flying the American flag. All flag poles must be approved by the Board of Directors or Appearance Control Committee prior to placement. The only flag permitted is the American flag.

Playsets Children's playsets may be installed with the approval of the Board of Directors or the Architectural Control Committee prior to placement. Only wooden structure playsets, preferably cedar, shall be allowed. The physical placement of all playsets must conform to the requirements of the Village Ordinance. Approval of the Architectural Control Committee shall constitute approval of equipment only, not of actual placement on the property.

Personal Property/Common Area Articles of personal property belonging to any Owner, such as baby carriages, camping and recreational vehicles, bicycles, wagons, toys, grills, furniture, clothing and other articles shall not be stored or kept on or in any portion of the Common Area, except as specifically designated by the Board.

Right of Association to Enforce Declaration The Association reserves the right to enter upon any Lot to correct or eliminate nuisances or violations of any or all of the foregoing, and to correct any failure of the Owner to properly maintain those areas and items not the responsibility of the Association. The cost of such entry and work shall be assessed by the Association against the individual Owner and such assessments shall be due and payable in the month assessed. In the event payment of such special assessment is not made, such special assessments shall become a lien on the Lot, the personal obligation of the Owner and subject to all covenants for assessments contained in this Declaration.

