

Proposed Covenant Changes and Rationale

The Board of Directors is proposing the following changes to the Covenants of Tanner Trails Home Owners Association. These changes make up the substance of the proposed Second Amendment to Declaration of Covenants, Conditions, Easements and Restrictions for Tanner Trails Homeowners Association. The Board has provided a brief rationale before each change to present the reason for the proposed change.

This paragraph was modified to allow portable storage pods for up to a week to accommodate residents moving in and out of the subdivision. Storage pods were not in regular use when the covenants were written.

1. Paragraph 3.3 is hereby deleted, in its entirety, and replaced with the following paragraph:

3.3 No temporary building, trailer, mobile home, recreational vehicle, tent, shack or other similar Improvement shall, except as otherwise herein provided, be located upon the Lots. Nothing herein shall prevent the use of portable storage pods for not more than 7 consecutive days (or longer as approved by the Board) and in accordance with such rules and regulations established by the Board and in accordance with applicable Village ordinances.

This revision changes the covenant parking restriction to allow vehicles that are currently allowed by the Village of North Aurora to park in the street to park in the driveway if the vehicles do not fit in the garage.

2. Paragraph 3.5 is hereby deleted, in its entirety, and replaced with the following paragraph:

3.5 Trucks used for commercial purposes, boats, recreational vehicles or trailers shall at all times be parked in the garage of a dwelling located on a Lot. Except in case of emergency, the repair or maintenance of any motorized vehicle shall not be permitted except within the confines of the garage of the dwelling. For purposes of this Section 3.5, "trucks used for commercial purposes" shall mean any passenger van designed to carry fifteen (15) or more passengers; vans or pick-up trucks more than ninety (90) inches (7 and one-half feet) in height; any truck having a class "D" truck license plates or higher; or any vehicle with a snow plow attached.

This modification to the covenants uses more common language regarding the running of a business or home office within the residence. The modified paragraph allows basic home office use of the residence which was previously restricted.

3. Paragraph 3.12 is hereby deleted, in its entirety, and replaced with the following paragraph.

3.12 All Lots shall be used only for residential purposes of a single family and for ancillary business or home office uses. A business or home office shall be considered ancillary so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (b) the activity conforms to all applicable zoning requirements; and limits the number of employees or invitees on the premise to not more than two (2) at any given time; provided, further that there is reasonable parking to accommodate such employees or invitees; (c) the activity does not involve regular visitation to the Lot by clients, customers, suppliers, or other invitees or door-to-door solicitation of residents; (d) the activity does not increase traffic or include frequent deliveries to the Lot; and, (e) the activity is consistent with the residential character of the Lots and does not constitute a nuisance, or a hazardous activity or offensive use, or threaten the security or other residents of the Property, as may be determined by the Board, in its sole and absolute discretion.

This modification allows resident's to install or replace their mailbox, as approved by the Board and removes the previous Newman restriction that all mailboxes must be identical. Currently the mailboxes in use in the subdivision are not identical.

4. Paragraph 3.19 is hereby deleted, in its entirety, and replaced with the following paragraph:

3.19 Each Owner shall be responsible for maintaining, in good condition and repair, its mailbox and replace, if necessary, said mailbox with a mailbox, the type and specifications for which shall be approved by the Board.

This paragraph modifies the current covenants to allow one bay of the garage to be used for storage to accommodate items such as lawn care equipment. The remaining bays are to be used for vehicles. Also, the modified paragraph allows emergency vehicle repairs to occur in the driveway to make a vehicle operable again.

5. Paragraph 3.20 is hereby deleted, in its entirety, and replaced with the following paragraph:

3.20 All vehicles owned or maintained by any occupant of a Lot, other than temporary guests and visitors, shall be parked in garages to the extent that garage space is available. Only one bay of any garage shall be used for storage, with the remaining bay(s) being kept open, available, and used for parking cars therein. Overhead garage doors must be kept closed on a consistent basis. No part of any of the Lots or Common Area 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. Except in case of

emergency, no repair or body work of any motorized vehicles shall be permitted except within the confines of the garage. The Association is expressly authorized to enforce the provisions of this Section by 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 as set forth in this Declaration. 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.

This change modified current covenant paragraph to more specifically define the child's pools that are allowed based on new inflatable pool technology and also to provide calendar date restrictions the pool may be kept up.

6. Paragraph 3.22 is hereby deleted, in its entirety, and replaced with the following paragraph:

3.22 No above-ground swimming pools are permitted within the Property or shall be maintained upon any Lot, except portable children's swimming pools are permitted, provided they are: (a) no more than twelve (12) feet in diameter and three (3) feet in depth; and, (ii) are erected and used only from Memorial Day through Labor Day of each year.

This modification allows free standing flag poles with Board approval, but maintains the limitation to fly the American Flag only.

7. Paragraph 3.23 is hereby deleted, in its entirety, and replaced with the following paragraph:

3.23 A short, temporary flagpole may be attached to the front porch for the purpose of flying the American flag. Free standing flag poles shall be permitted, provided that the size, shape and location on a Lot shall be first approved by the Board of Directors or Architectural Control Committee prior to placement. The only flag permitted to be displayed is the American Flag.

8. Paragraph 3.24 is hereby deleted, in its entirety, and replaced with the following paragraph:

3.24 No fence may be erected or constructed on a Lot unless the plans and specifications therefore comply with the attached Exhibit "F" and are approved by the Board.

This change adds a sentence to the covenants that allows the Board to decrease its size as well as increase it provided the Board is never smaller than three.

9. Paragraph 4.3 is hereby deleted, in its entirety, and replaced with the following paragraph:

4.3 Board of Directors. The Association shall be governed by a Board of Directors comprised of three (3) persons, or such greater number as may be determined by Board resolution. In the event the Board shall have increased the number of Directors, it shall also have the right by resolution to decrease the number of Directors, provided that in no event shall the number of Directors be less than three (3). The Board shall maintain and administer the Common Area and improvements thereon in accordance with the terms and provisions of this Declaration and By-Laws.

The following subparagraph (e) changes the requirements for member approval to make improvements to the Common Areas because the size of the subdivision makes the original requirement of 2/3rds of the Members too difficult to attain without extensive cost to the Association.

Paragraph (g) formally allows the Board to create Rule and Regulations. Note that the Rules and Regulations Document was originally created by Neumann.

10. Paragraph 4.7 is hereby modified as follows:

- Subparagraph (e) is hereby deleted, in its entirety, and replaced with the following:

(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 a majority of the Members voting at a general or special meeting duly called in accordance with its Articles of Incorporation and By-Laws, provided, however, that any such action so authorized shall always be for the express purposes of keeping Tanner Trails Subdivision as a highly desirable residential community.

- Subparagraph (g) is hereby added to the end of paragraph 4.7:

(g) Enact rules and regulations carrying out and implementing the provisions of this Declaration.

The proposed change adds a clause to account for new technologies that are available now and in the future.

11. Paragraph 9.1 is hereby deleted, in its entirety, and replaced with the following paragraph:

9.1 General Review and Approval. No building, fence, wall, or other structure, including storage sheds, shall be constructed, erected or maintained upon the Property, including the Common Areas, or upon any Lot, dwelling, garage or other improvement thereon, nor shall any exterior additions to or change or alteration therein be made, including without limitation, weather vanes, cupolas, or energy generating devices (e.g., solar panels, wind turbines, and the like), until written plans and specifications showing the nature, kind, shape, height, materials, color scheme and allocation of the same and the approximate cost thereof shall have been submitted to and approved in writing by the Board or by an architectural committee composed of three (3) or more representatives appointed by the Board. All fences must conform to the specifications set forth on the attached Exhibit "F" Without obligating the Board or the Architectural Control Committee to approve any shed, all Plans and Specifics for sheds will not be approved unless the Plans provide for those items or otherwise conform to the standards set forth on Exhibit E.

This paragraph has been modified to use clearer language and more clearly allow the Board to approve alternative dish placements. The intent and rule of the original paragraph has not changed.

12. Paragraph 9.3 is hereby deleted, in its entirety, and replaced with the following paragraph:

9.3 Devices Design for the Air reception of Television Broadcast Signals. In compliance with Section 207 of the Telecommunications Act of 1996, and the rules and regulations promulgated thereby, devices designed for over-the-air reception of television broadcast signals, multi-channel multipoint distribution services or direct broadcast satellite services (a "Dish" or "Dishes") which promote a viewer's ability to receive video programming services, shall be permitted and may be affixed to or placed upon the exterior walls or rear roof of any dwelling or garage on a Lot, and shall be installed in a manner so as not to be seen from the street. Dishes may only be affixed to the front side of any structure, or otherwise detached and erected free standing from the structure, only if there is no other location on the residence (e.g., the side or rear exterior walls or the rear side of the roof), from which such Dish can receive a digital broadcast signal. The Board shall approve the location of each Dish prior to placement on a structure, in accordance with the procedures set forth in its Rules and Regulations.

This modification corrects a typographical error in the original covenants.

13. The reference to "Article XVII" at the end of the first paragraph of Paragraph 15.04 is hereby corrected to reflect "Article XV":

See detail below.

14. Exhibit "C" to the Declaration, "By-laws of the Tanner Trails Homeowners Association" is hereby amended as follows:

This change adds a sentence to the covenants that allows the Board to increase or decrease its size, provided the Board is never smaller than three.

A. The following sentence is hereby added at the end of the first existing sentence of Article II, Section 2(a):

"In the event the Board shall have increased the number of Directors, it shall also have the right by resolution to decrease the number of Directors, provided that in no event shall the number of Directors be less than three (3)."

This change adds a sentence to allow vacancies on the board to be temporarily filled until the next election.

B. Article II, Section 2(b) is hereby deleted, in its entirety, and replaced with the following paragraph:

(b) At the initial meeting, the Voting Members shall elect three (3) Board Members. In all elections for members of the Board, each Voting Member shall be entitled to cumulate his votes in the manner provided by law 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. Members of the Board elected at the initial meeting shall serve until the first annual meeting. The two (2) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two (2) years and the person receiving the next highest number of votes shall be elected to the Board for a term of one (1) year. In the event of a tie vote, the members of the Board shall determine which members shall have the two (2) year terms and which members shall have the one (1) year term. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of two (2) years each, provided, however, Board members may succeed themselves. Members of the Board shall receive no compensation for their services, unless expressly authorized by the Board with the approval of Voting Members having two-thirds (2/3) of the total votes. Vacancies in the Board due to the resignation of a Member of the Board, shall be filled by resolution of the remaining Members of the Board, to serve until the expiration of the term of the resigning Member of the Board. Except as otherwise provided in the Declaration, the Property shall be managed by the Board and the Board shall act by majority vote of those present (at its meetings at which a quorum exists. A majority of the total number of the members of the Board shall constitute a quorum. Meetings of the Board may be called, held and conducted in accordance with such resolutions as the Board may from time to time adopt.

This change relaxes the quarterly meeting requirement by removing need to have the meeting the first Monday of the month. The months the meetings are to occur is not changed. This change gives the Board a little flexibility in scheduling meetings.

C. The first sentence of Article II, Section 5 is hereby deleted in its entirety and replaced with the following sentence:

“The Board shall meet at least four (4) times annually in February, May, August and November, at such day and time as shall be determined by the Board.”

This modification adds a paragraph to specifically address meeting quorums and requires meetings to be called for the purpose of election of directors. The quorum is set at 10% because of the size of the association, and the difficulty we have in getting a quorum at our meetings.

D. The following paragraph “D” is added at the end of Article IV of the By-Laws:

Written notice of any regular or special meeting of the Lot Owners, called at any time for the purposes set forth in the Declaration or these By-Laws, shall be sent to all Members at least five (5) days in advance of such meeting. At least ten percent (10%) (or such lesser amount as may be allowed by the Illinois Not-For-Profit Corporation Act from time to time), of the Lot Owners shall be present in person or represented by proxy shall be required at such meeting to constitute a quorum. In the event the minimum quorum amount is not present, another meeting may be called (except in the case when a meeting was called for the purpose of election director(s), in which case another meeting *shall* be called) subject to the same notice requirement, but the requirement at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event of a lack of quorum at any regular or special meeting for the election of Board Members, the existing elected Board members shall continue to hold office until the next meeting where the quorum requirements are met.

See Exhibit E

15. Exhibit “E” is hereby replaced with the Exhibit “E” attached as an exhibit at the end of this Second Amendment.

See Exhibit F

16. Exhibit “F” is hereby replaced with the Exhibit “F” attached as an exhibit at the end of this Second Amendment.

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

Clarify shed specifications. Sheds must match color scheme of home, but not exact materials such as siding. Area surrounding sheds must be landscaped appropriately and free of debris. Requirement for at least three shrubs per side has been dropped.

EXHIBIT “E”

SHED SPECIFICATIONS

1. Location: Shall not be closer than ten (10) feet from the rear of the house and shall not be located in an easement area.
2. Height: No more than 10 feet from base to peak.
3. Square Footage: No more than 120 square feet.
4. Building material and color: The same color scheme as the home including same color shingles. The shed shall be wood, and not constructed of plastic or aluminum.
5. Door opening: Only permitted facing home.
6. Landscaping: The shed shall be landscaped appropriately. The sides of the shed shall be kept clean, neat, and free of debris and items leaning against a side.
7. Number: Only one shed per lot shall be permitted.
8. Village Ordinances: The shed shall comply with applicable Village of North Aurora ordinances.

Clarified fence specifications. Aluminum and wrought iron fences are explicitly allowed (if approved by the board). The original specifications did not mention these materials.

EXHIBIT F

FENCE SPECIFICATIONS

- (i) No fences shall be greater in height than forty-eight (48) inches and shall be constructed of quality wood or, aluminum, wrought iron, or, if approved by the board, vinyl fencing that simulates wood. The “good” side of the fence shall face away from the home;
- (ii) Chain-link or stockade fences are not allowed;
- (iii) Fences in side yards must conform with the height and setbacks as described herein;
- (iv) On corner lots, side-yard fences cannot extend more than twelve (12) feet beyond the building setback line;
- (v) Any fence placed on a public easement area is done so at the owner’s own risk and expense;
- (vi) Invisible electronic underground dog fences will be allowed if the dog(s) being fenced obeys the signal. If, at any time, the dog(s) comes out of the yard unleashed, the homeowner will be fined Twenty-Five and No/100 (\$25.00) and will be required to put up a standard fence;
- (vii) All fences are subject to review and approval by the Architectural Review Committee and the Board;
- (viii) All fences are subject to applicable zoning ordinances and governmental easements; and,
- (ix) Architectural Review Committee (“ARC”) approval of the placement of fences shall not be construed to conform to the Village of North Aurora or other regulatory bodies’ approval. Separate approval shall be sought where necessary. Furthermore, ARC approval does not guarantee or supersede that proper drainage is maintained in accordance with the Declaration.