



Stonebridge Project Governance

July 25, 2014

Project Summary

The Stonebridge development project (“Stonebridge”) involves three distinct categories of single family homes (the Manor Neighborhood, the Carriage Neighborhood and the Cottage Neighborhood). Stonebridge will be developed pursuant to a development agreement with the Village of Lake Bluff and a Planned Residential Development ordinance adopted by the Village (“Development Approvals”). As set forth below, Stonebridge will be governed by a homeowners’ declaration, which will govern the interrelationship of the three neighborhoods, as well as maintaining the common areas serving the entire project (such as storm water detention ponds, certain landscaping and open space maintenance, public easements, etc.). The homeowners association will be created pursuant to a standard form of articles of incorporation and bylaws. Notwithstanding anything in this document to the contrary, the declaration, bylaws, and articles of incorporation related to the Stonebridge development project will not be inconsistent with the Development Approvals.

Homeowners Association

A form of homeowners declaration (the “Declaration”) will be created and recorded against the project, which Declaration will provide for the establishment of an Illinois not-for-profit corporation (the “Association”) to own and administer certain common areas which will serve all of the owners in Stonebridge, including the Manor House and open areas on the property. The Declaration will provide for requirements governing the project (such as architectural controls, landscaping standards and other operating covenants) and will also provide for cross easements for the use of certain shared amenities, park areas and other areas that will be owned by the Association. The Declaration will provide for assessments to be collected from homeowners to cover the various maintenance and capital costs incurred by the Association, certain insurance obligations and certain other rights, obligations and provisions typical in such an operating declaration.

Historic Structure

The Manor House is architecturally and historically significant. The main rooms in the first floor of the Manor House will be restored and will be used and maintained as function space and be ultimately owned by the Association. It is anticipated that the Village of Lake Bluff will have the ability to hold a certain number of events each year within the first-floor space pursuant to the terms of the Development Approvals (e.g., the Village holiday party; park, fire, police and library events, etc.). In addition, pursuant to the Development Approvals, this space will be made available for use by community groups within the Village as well as by residents of the Village. All homeowners within Stonebridge will pay assessments sufficient to provide for ongoing maintenance and care of the Manor House. The operating documents will provide for the allowable uses, the maintenance associated common elements, and certain other operational issues, such as:

- Providing guidelines for the use of the ground floor function space in the Manor House for public events and functions.
- Providing guidelines for the use of the Manor House for homeowners.



Cottage Neighborhood

A section of the Declaration will govern the 27 homes that will comprise the Cottage Neighborhood (currently shown as lots 62 through 88), as well the two existing detached model units and two existing duplex model units. With regard to the Cottage Neighborhood, the Declaration will, among other things:

- Provide for the creation of budgets and the levy of assessments
- Restrict modification to the exterior of these units other than certain limited permissible modifications
- Limit any increase in impervious coverage in a manner consistent with the approved storm water plan

Carriage Neighborhood

A section of the Declaration will govern the 44 detached homes that will comprise the Carriage Neighborhood (currently shown as lots 24 through 57 and 89 through 98). With regard to the Carriage Neighborhood, the Declaration will, among other things:

- Provide for the creation of budgets and the levy of assessments
- Provide for modifications to the exterior of these units, which will require prior Association approval
- Limit any increase in impervious coverage in a manner consistent with the approved storm water plan

Manor Neighborhood

A section of the Declaration will govern the 23 homes that will comprise the Manor Neighborhood (currently shown as lots 1 through 23). With regard to the Manor Neighborhood, the Declaration will, among other things:

- Provide for the creation of budgets and the levy of assessments
- Provide for modifications to the exterior of these homes, which will require prior Association approval
- Limit any increase in impervious coverage in a manner consistent with the approved storm water plan

Easements and Outlots Granted to the Village

The final plat of subdivision will grant certain easements and outlots to the Village. The Declaration will provide for the relationship between the Association and the Village with respect to ownership, maintenance and enforcement of the outlots and easements. The particulars of the relationship will be determined when final engineering had been completed and will be addressed specifically when Applicant files its final plan submittal.