

COPY

JUN 7 1996

Execution Copy
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DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE CUNEO SOUTH COMMERCIAL PROPERTY

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witness
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This declaration of protective covenants, conditions, and restrictions, made and executed effective this 7th day of May, 1996 by The Cuneo Foundation, an Illinois not-for-profit corporation (hereinafter referred to as "Declarant").

WITNESSETH

WHEREAS, Declarant is the owner of the real property legally described in Exhibit A of this Declaration (referred to herein as the "Cuneo South Commercial Property"), and is desirous of subjecting the Cuneo South Commercial Property to the conditions, covenants, restrictions, reservations, undertakings, and agreements hereinafter set forth (sometimes collectively hereinafter referred to as the "Covenants"), and

WHEREAS, each and all of the Covenants is and are intended to be, and by this Declaration shall be made, binding upon the Cuneo South Commercial Property and upon each Owner of any part thereof and every other party having any interest therein, and

WHEREAS, each and all of the Covenants is and are intended to, and by this Declaration shall be made to inure to the benefit of and run with and bind the Cuneo South Commercial Property, and each and every part thereof;

NOW, THEREFORE, Declarant hereby declares that: the Cuneo South Commercial Property, and each and every part thereof, is, and shall be, held, transferred, sold, conveyed, used, and occupied subject to the terms and conditions of this Declaration and the Covenants; the Covenants shall run with and bind the Cuneo South Commercial Property and be binding on all parties presently having or hereafter acquiring any right, title, or interest in the Cuneo South Commercial Property, or any part thereof, and their successors and assigns; and the Covenants shall inure to the benefit of each and every present and future Owner of the Cuneo South Commercial Property or any part thereof, all as more fully set forth in the following Clauses:

CLAUSE I

PROPERTY SUBJECT TO AND
BENEFITING FROM THIS DECLARATION

The Cuneo South Commercial Property to be held, transferred, sold, conveyed, used, and occupied subject to the terms and conditions of this Declaration and the Covenants is located

entirely within the Village of Vernon Hills and Lake County, Illinois, and is more particularly and legally described in Exhibit A attached hereto and incorporated herein by this reference.

CLAUSE II

GENERAL PURPOSES OF THIS DECLARATION

The Cuneo South Commercial Property is to be held, transferred, sold, conveyed, used, and occupied subject to the terms and conditions of this Declaration and the Covenants to ensure the otherwise proper use and appropriate development and improvement of the Cuneo South Commercial Property and every part thereof.

CLAUSE III

DEFINITIONS

BUILDING. Any structure intended or used for the shelter, housing, or enclosure of any Person, animal, or chattel.

COUNTY. The County of Lake, an Illinois body politic and corporate.

DECLARANT. The Cuneo Foundation, an Illinois not-for-profit corporation.

FAMILY. One or more natural persons each related to the other by blood, marriage, or legal adoption, or any other group of persons defined as a family in the codes and ordinances of the County or the Village.

OWNER. The Person or Persons whose estates or interests, individually or collectively, aggregate fee simple ownership of all or any portion of the Cuneo South Commercial Property. "Owner" shall specifically include, but shall not be limited to, each and any beneficiary of any title-holding land trust, controlling shareholder of any corporation, or partner of any partnership holding legal title to all or any portion of the Cuneo South Commercial Property. "Owner" shall mean and refer to the Declarant as to all or any portion of the Cuneo South Commercial Property that is owned by the Declarant or by any nominee or agent of the Declarant. "Owner" shall not, however, notwithstanding any applicable provision of any mortgage, mean or refer to a mortgagee or any other Person having an interest in any such portion of the Cuneo South Commercial Property merely as security for the performance of an obligation unless and until such mortgagee or other holder of a security interest has acquired title pursuant to foreclosure or by deed in lieu of foreclosure.

PERSON. A natural person, partnership, trustee, corporation, or other legal entity capable of holding legal title to real property.

RESIDENTIAL BUILDING. Any Building containing one or more rooms originally designed, subsequently altered, or used for living quarters for one or more Families, but excluding rooms designed, intended, and used exclusively as hotel or motel rooms for transient guests.

RETAIL COMMERCIAL. The sale of products, recreation, or services directly to ultimate consumers, but specifically excluding, without limitation, all warehouse and wholesale uses and operations.

SINGLE-FAMILY BUILDING. A Building originally designed, subsequently altered, or used for living quarters by one Family.

VILLAGE. The Village of Vernon Hills, an Illinois municipal corporation.

CLAUSE IV

SPECIFIC COVENANTS AND RESTRICTIONS

A. RESIDENTIAL USE PROHIBITED. Except only for not more than six currently existing Single-Family Buildings currently on, or to be relocated to, the Cuneo South Commercial Property, no Residential Building shall be developed, constructed, installed, used, or maintained at any time or at any place within the Cuneo South Commercial Property.

B. USE AND DEVELOPMENT. Except only for not more than six currently existing Single-Family Buildings currently on, or to be relocated to, the Cuneo South Commercial Property, the Cuneo South Commercial Property shall not be developed or used for any purpose other than office, hotel, and Retail Commercial uses; provided, however, that in that portion of the Cuneo South Commercial Property located more than 1,000 feet west of the west right-of-way line of Milwaukee Avenue, as such right-of-way line is legally established or adjusted from time-to-time, Retail Commercial use shall be restricted to Retail Commercial uses that are directly ancillary to, and located within and operated as part of, an office or hotel operation or use.

C. EASTERN BOUNDARY BUFFER. Except only for authorized points of vehicular access, all portions of the Cuneo South Commercial Property lying within 50 feet west of the west right-of-way line of Milwaukee Avenue, as such right-of-way line is legally

established or adjusted from time-to-time, shall be either (i) maintained in an undeveloped condition or (ii) improved and maintained as landscaped open spaces in accordance with plans to be approved in advance by the Village and, with respect to traffic safety matters only, by the County's Division of Transportation. No other development or use shall be permitted within said portion of the Cuneo South Commercial Property.

CLAUSE V

GENERAL PROVISIONS

A. TERM. This Declaration and the Covenants shall continue and be binding in perpetuity commencing from the date of recording of this Declaration with the Recorder of Deeds of Lake County, Illinois.

B. NATURE AND SURVIVAL OF OBLIGATION. The Covenants herein set forth shall run with the land and bind the Cuneo South Commercial Property and Declarant, its successors, grantees, and assigns, and all parties claiming by, through, or under them. The County, the Village, the Declarant, and any Owner, shall each have an independent right to sue for and obtain a prohibitive or mandatory injunction, or any other equitable remedy, to prevent the breach, or to enforce the observance, of the Covenants and the terms and conditions of this Declaration, in addition to the right to bring an action for damages.

C. ABATEMENT OF VIOLATIONS. If there shall be any Residential Building or any other structure on the Cuneo South Commercial Property that is and remains in violation of the Covenants, or any of them, or of any of the other terms and conditions of this Declaration, for a period of 30 days after receipt by the Owner of the portion of the Cuneo South Commercial Property on which such Residential Building or other structure is located, of written notice of such violation from the Declarant, the Village, or the County, then the Declarant, the Village, or the County, as the case may be, collectively or individually, or Persons authorized by them, or any one of them, shall have, in addition to the foregoing rights, the right to enter upon the Cuneo South Commercial Property and to summarily abate or remove such Residential Building or other structure at the expense of the Owner, and such entry and abatement or removal shall not be deemed a trespass.

D. AMENDMENT OF COVENANTS. This Declaration and the Covenants shall not be modified, revoked, amended, or supplemented in whole or in part unless done with prior written approval of the Village, the County and, so long as the Declarant is an Owner, the Declarant pursuant to resolutions duly adopted by their respective corporate authorities.

E. COVENANTS AND LIENS SUBORDINATE TO MORTGAGES. All Covenants, liens, and other provisions herein set forth shall be subject to and subordinate to all mortgages or deeds of trust in the nature of a mortgage now or hereafter executed encumbering any portion of the Cuneo South Commercial Property. None of said Covenants, liens, or other provisions shall supersede or in any way reduce the security or affect the validity of any such mortgage or deed of trust in the nature of a mortgage. However, if any such portion of the Cuneo South Commercial Property is acquired in lieu of foreclosure, or is sold under foreclosure of any mortgage or under the provision of any deed of trust in the nature of a mortgage, or under judicial sale, any purchaser at such sale, his or its grantees, heirs, personal representatives, successors, or assigns shall hold any and all of such portions of the Cuneo South Commercial Property so purchased subject to the Covenants and the provisions of this Declaration.

F. SEVERABILITY. If a court of competent jurisdiction shall hold invalid or unenforceable any part of any Covenant or other provision contained in this Declaration, such holding shall not impair, invalidate, or otherwise affect the remainder of this Declaration or any other Covenant, all of which shall remain in full force and effect.

G. WAIVER. In no event shall the failure of Declarant, the Village, the County, or any other Person to enforce any of the Covenants or any of the other terms and conditions of this Declaration, as to any violation be deemed to be a waiver of the right to do so as to any violation, nor shall such failure entitle any Owner to claim, sue for, or receive any damages or other payment from Declarant, the Village, the County, or any other Person.

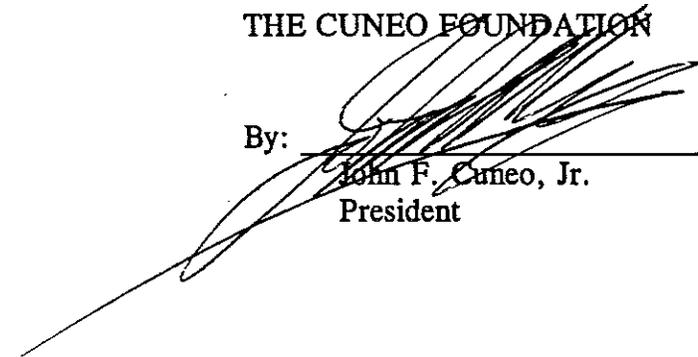
H. VILLAGE AND COUNTY ORDINANCES. The Declarant's or any Owner's compliance with the provisions of any Village or County ordinance, rule, or regulation shall not necessarily be deemed to constitute compliance with this Declaration or the Covenants, and the Declarant and any such Owner must also comply with this Declaration and the Covenants to the extent they are more restrictive of the development and use to be allowed on the Cuneo South Commercial Property.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed and attested as of the day and year first above written.

DECLARANT

THE CUNEO FOUNDATION

By: _____


John F. Cuneo, Jr.
President

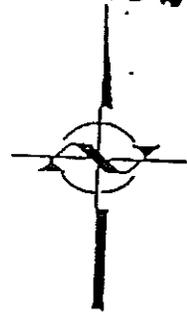
Prepared by:

Burke, Weaver & Prell
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(312) 263-3600

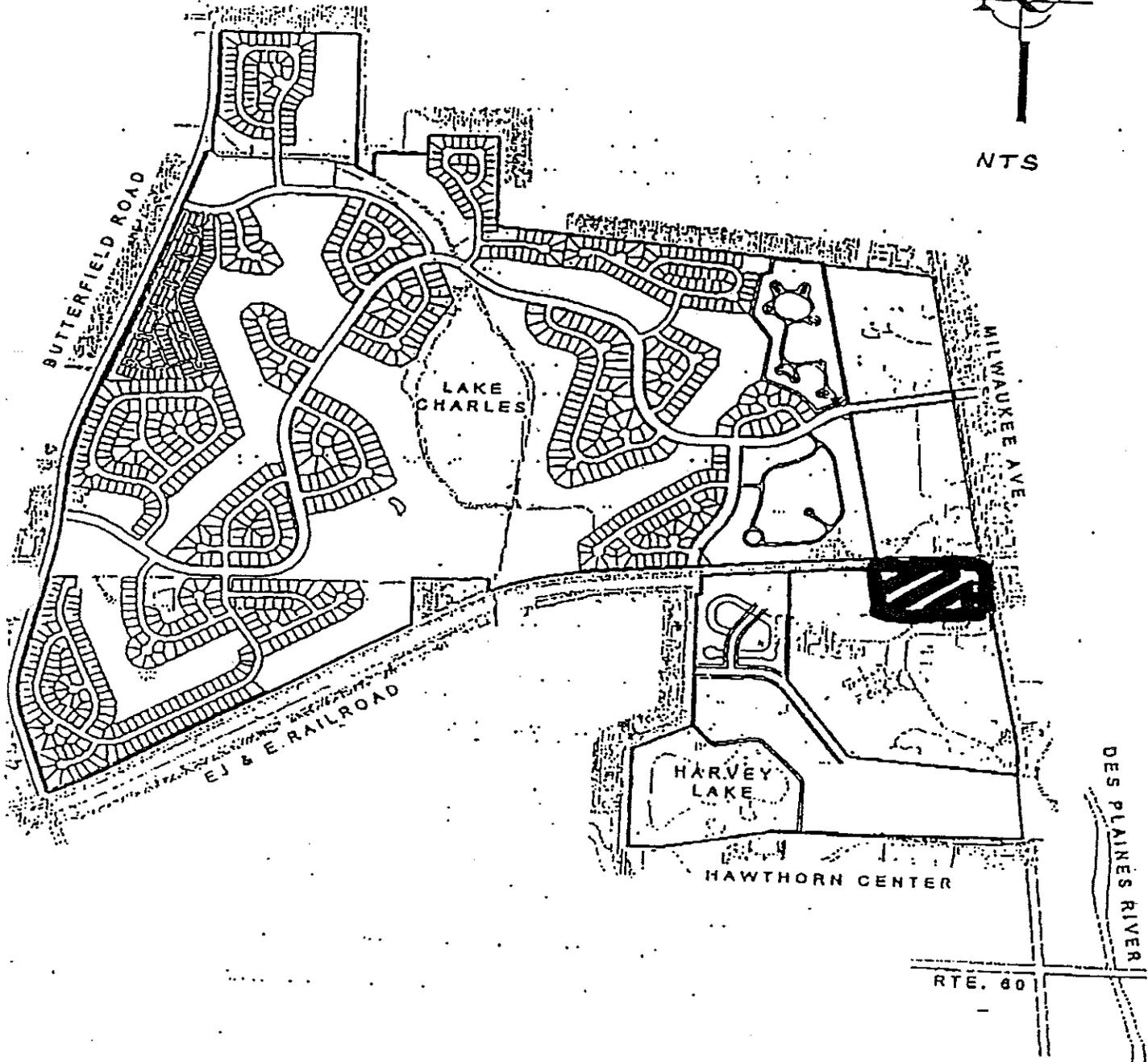
After recording, return to:

Burke, Weaver & Prell
55 West Monroe Street
Suite 800
Chicago, Illinois 60603
(312) 263-3600

Juneo South Commercial



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THE ZALE COMPANIES

100 Lexington Drive, Suite 100
Buffalo Grove, Illinois 60089-6031
(708)537-9101

CUNEO SOUTH COMMERCIAL PROPERTY

"CUNEO SOUTH COMMERCIAL" DESCRIPTION (revised january 29, 1996)

THAT PART OF SECTION 03, TOWNSHIP 44 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF MILWAUKEE AVENUE (STATE ROUTE NO. 21) AS WIDENED BY CONDEMNATION IN CIRCUIT COURT, LAKE COUNTY, ILLINOIS, CASE NO. 65-2323, WITH THE SOUTHERLY RIGHT OF WAY LINE OF THE ELGIN, JOLIET AND EASTERN RAILWAY, THENCE SOUTH 11 DEGREES 05 MINUTES 47 SECONDS EAST ALONG SAID WESTERLY LINE OF MILWAUKEE AVENUE AS WIDENED, BEING A LINE 50.00 FEET, AS MEASURED AT RIGHT ANGLES, WESTERLY OF AND PARALLEL WITH THE CENTER LINE OF MILWAUKEE AVENUE, 553.26 FEET; THENCE SOUTH 86 DEGREES 43 MINUTES 09 SECONDS WEST 311.96 FEET; THENCE SOUTH 85 DEGREES 35 MINUTES 41 SECONDS WEST 153.40 FEET; THENCE SOUTH 84 DEGREES 29 MINUTES 38 SECONDS WEST 427.28 FEET; THENCE NORTH 05 DEGREES 29 MINUTES 59 SECONDS WEST 535.67 FEET; TO AN INTERSECTION WITH THE SOUTHERLY RIGHT OF WAY LINE OF SAID ELGIN, JOLIET AND EASTERN RAILWAY; THENCE NORTH 84 DEGREES 30 MINUTES 01 SECONDS EAST ALONG SAID LAST DESCRIBED LINE 838.42 FEET TO THE POINT OF BEGINNING, IN LAKE COUNTY ILLINOIS.

CONTAINING 466148 SQUARE FEET OF 10.70 ACRES, MORE OR LESS.