

PLAN AND AGREEMENT OF MERGER BETWEEN
LAKE CARROLL ASSOCIATION AND
DEER RUN ASSOCIATION

This Plan and Agreement of Merger, made this 15th day of July, 1909, by and between LAKE CARROLL ASSOCIATION, an Illinois not-for-profit corporation (Lake Carroll) and DEER RUN ASSOCIATION, an Illinois not-for-profit corporation (Deer Run), said corporations being hereinafter sometimes referred to jointly as "constituent corporations,"

WITNESSETH:

WHEREAS, Lake Carroll is a corporation organized and existing under the laws of the State of Illinois, its Articles of Incorporation having been filed in the office of the Secretary of State of Illinois and a Certificate of Incorporation having been recorded in the office of the Recorder of Deeds of Kane County, Illinois, and subsequently refiled in Carroll County, Illinois; and

WHEREAS, Deer Run is a corporation organized and existing under the laws of the State of Illinois, its Articles of Incorporation having been filed in the office of the Secretary of State of Illinois and a Certificate of Incorporation having been recorded in the office of the Recorder of Deeds of Carroll County, Illinois, and

WHEREAS, the board of directors of each of the constituent corporations deems it advisable that Deer Run be merged into Lake Carroll on the terms and conditions hereinafter set forth, and in accordance with the applicable provisions of the General Not for Profit Corporation Act of 1906 of the State of Illinois, which permits such mergers.

NOW, THEREFORE, in consideration of the premises and of the agreements, covenants and conditions hereinafter set forth, Lake Carroll and Deer Run, by their respective boards of directors, hereby agree each with the other as follows:

EXHIBIT A

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ARTICLE I

Lake Carroll and Deer Run shall be merged into a single corporation, in accordance with the provisions of the General Not for Profit Corporation Act of 1906 of the State of Illinois by Deer Run merging into Lake Carroll and Lake Carroll shall be the surviving corporation of the merger.

ARTICLE II

Upon the merger becoming effective: (1) the constituent corporations shall be a single corporation under the name of Lake Carroll Association, the surviving corporation; (2) the separate existence of Deer Run shall cease, except to the extent provided for by the laws of the State of Illinois in the case of a corporation after its merger to another corporation; (3) the surviving corporation shall thereupon possess all the rights, privileges, immunities and franchises of each of the constituent corporations, and all property, real, personal and mixed, and debts due on whatever account, and all choses in action, and every other interest belonging to or due to each of the constituent corporations shall be deemed to be transferred to and vested in Lake Carroll as the surviving corporation, without further act or deed; and the title to any real estate, or any interest therein, vested in any of the constituent corporations shall not revert to or be in any way impaired by reason of the merger but shall vest in the surviving corporation; (4) the surviving corporation shall thenceforth be responsible and liable for all of the liabilities and obligations of each of the constituent corporations, including, without limitation, the completion or performance of representations made by Patten Corporation of Lake Carroll in that Report dated April 28, 1989 (and any amendments to said Report thereafter), required to be given to purchasers of sub-developed land at the Lake Carroll complex. Any claim existing or action or proceeding pending by or against any of the constituent corporations may be prosecuted to judgment by

the surviving corporation as if the merger had not taken place, or the surviving corporation may be substituted in place of the constituent corporations. Neither the rights of creditors nor any liens upon the property of any of the constituent corporations shall be impaired by the merger; (5) the Articles of Incorporation and bylaws of Lake Carroll, as existing and constituted immediately prior to the effective date of the merger shall be the Articles of Incorporation and bylaws of the surviving corporation except as said bylaws may be amended hereby; (6) for all accounting purposes, the effective date of the merger shall be deemed to be noon on the 15th day of July, 1989.

ARTICLE III

The surviving corporation shall pay all expenses of carrying this Plan and Agreement of Merger into effect and accomplishing the merger provided for herein. The surviving corporation shall not be required to pay any legal fees or other costs of Deer Run without its prior written consent.

ARTICLE IV

The assets and liabilities of Deer Run, at the effective date of the merger, shall be taken on the books of the surviving corporation at the amounts at which they, respectively, shall, on such date, be carried on the books of Deer Run. Deer Run, by the execution of this Plan and Agreement of Merger, certifies that it has provided to Lake Carroll true and correct copies of any financial statements prepared for Deer Run since its inception, any and all tax returns filed with the Internal Revenue Service of the U. S. Treasury and the State of Illinois; that any liability of Deer Run to be met by the surviving corporation has been disclosed to Lake Carroll independently or by such financial statements and tax returns, or by the Management Agreement of January 2, 1988, between Lake Carroll and Deer Run, which Management Agreement is in effect as of the date of this Plan and Agreement of Merger.

ARTICLE V

Initially there shall be seven (7) directors of the surviving corporation who shall be the same persons constituting the board of directors of Lake Carroll immediately prior to the effective date of the merger, and such persons shall hold office until the first annual meeting of the members of the surviving corporation and until their respective successors are elected according to the bylaws of the surviving corporation. The first annual meeting will be held October 29, 1949, at which meeting three (3) of the seven (7) directors will be elected. The term of all officers of the surviving corporation shall continue and each shall be deemed to be the officers of the surviving corporation upon the effective date of the merger. Thereafter, other persons may be elected or appointed to such offices from time to time in accordance with the bylaws of the surviving corporation. After the effective date of the merger, all future elections shall be conducted according to the bylaws of Lake Carroll, but existing members of Deer Run shall have the full right to be a part of the election process, including (without limitation) the right to vote and to run for office.

ARTICLE VI

If at any time the surviving corporation shall consider or be advised that any further assignment or assurance in law is necessary or desirable to vest in the surviving corporation the title to any property or rights of any of the constituent corporations, the proper officer and directors of the constituent corporations shall execute and deliver all such proper assignments, conveyances and assurances in law and do all things necessary or proper to vest such property or rights in the surviving corporation, and otherwise to carry out the purposes of this Plan and Agreement of Merger.

ARTICLE VII

Prior to the effective date of this merger, Deer Run bylaws and policies allowed Co-Owner Members. Lake Carroll bylaws restrict and limit Co-Owner Members.

The rights and privileges of Co-Owner Members derived through membership in Deer Run, or through the acquisition of real estate at the Lake Carroll complex which entails membership in Deer Run, shall not be abridged or limited by this Plan and Agreement if such co-ownership status exists prior to the effective date of merger, and any such Co-Owner status existing or arising prior to said date shall remain in effect thereafter. After the effective date of merger, no additional Co-Owner Members shall be allowed. Co-Owner Members may be subject to reasonable and uniform rules, regulations, and assessments, as previously established for Lake Carroll Co-Owners or as may be established by the board of directors of Lake Carroll hereafter.

ARTICLE VIII

The following entities may be recognized as owners: Individuals, corporations, and trustees; provided however, that the board of directors of Lake Carroll may establish reasonable rules and regulations as to which persons affiliated with a corporate owner, a trust or a trustee arrangement, shall be entitled to the use of amenities or have any other privileges of a member in good standing at Lake Carroll.

ARTICLE IX

The concept and Plan of Merger has been submitted to the members of Lake Carroll at a Special Meeting of said membership held on August 21, 1988, pursuant to due notice, and has been approved by two-thirds of the members of Lake Carroll voting, in person or by proxy, and further approved by a majority of the board of directors of Lake Carroll by Resolution duly passed thereafter.

ARTICLE X

The concept and Plan of Merger has been submitted to the members and directors of Deer Run, at a Special meeting of said membership and directors held on July 14, 1989, where the same received approval by the vote of at least a majority of the members of Deer Run and of a majority of the board of directors of Deer Run, in accordance

with the requirements of the General Not for Profit Corporation Act of 1986 of the State of Illinois, Ill. Rev. Stat., c. 32, §§111.15 and 111.30 and the bylaws of Deer Run.

ARTICLE XI

This Plan and Agreement of Merger shall not affect the Declaration of Restrictions and Covenants made May 15, 1972 as amended concerning Lake Carroll, nor shall this Plan and Agreement of Merger affect the Declaratory Statement of Covenants and Restrictions for Deer Run on Lake Carroll dated February 19, 1987, as amended, concerning Deer Run, and said Declarations shall continue to impose mutual and beneficial restrictions, covenants, equitable servitudes and changes under a general plan or scheme of improvements for the benefit of the various lots and parcels in the Lake Carroll Development in Carroll County, Illinois, to which each such Declaration shall apply. Upon approval and implementation of this Plan and Agreement of Merger, "Association" as defined in the Declaratory Statement of Covenants and Restrictions for Deer Run or Lake Carroll shall mean Lake Carroll Association and "Board" shall mean the board of directors of Lake Carroll Association. Each owner who is a member of Deer Run, (voting or otherwise) shall automatically become a Member of Lake Carroll (voting or otherwise). Nothing herein shall abridge the rights and privileges heretofore granted to members of Deer Run or to the members of Lake Carroll existing prior to the effective date of merger, pursuant to the Declarations described in this Article XI or the bylaws of either organization.

ARTICLE XII

The effective date of merger shall be Saturday, July 15, 1989, at noon, *for accounting purposes only.*

IN WITNESS WHEREOF, Lake Carroll and Deer Run have caused this Plan and Agreement of Merger to be signed by its board of directors and its

corporate seal to be hereunto affixed and attested by its Secretary in the case of each Corporation, as of the day and year first above written.

Charles K. [Signature]
Grant H. [Signature]
Eric [Signature]
William D. [Signature]

COPY

Directors of Lake Carroll

ATTEST:

x William D. Ebenezer
Secretary

(CORPORATE SEAL)

Paul [Signature]
Nancy L. [Signature]
[Signature]

Directors of Deer Run

ATTEST:

Nancy L. [Signature]
Secretary

(CORPORATE SEAL)

I, William Ebenezer, Secretary of Lake Carroll Association, a corporation organized and existing under the General Not for Profit Corporation Act of 1986 of the State of Illinois, hereby certify, as Secretary and under the seal of Lake Carroll

Association that the Plan and Agreement of Merger to which this Certificate is attached, after having been first duly signed on behalf of Lake Carroll Association by a majority of the directors thereof and having been signed by a majority of the directors of Deer Run Association, a corporation organized and existing under the General Not for Profit Corporation Act of the State of Illinois, previously had been submitted to the members of Lake Carroll Association at a special meeting of such members duly called and held on August 21, 1988 for the purpose of considering and taking action upon the Merger, and the Merger was duly adopted by the vote of at least two-thirds of the votes entitled to be cast by members at the meeting of members of Lake Carroll Association and is the duly adopted agreement of Lake Carroll Association pursuant to the provisions of the General Not for Profit Corporation Act of 1986 of the State of Illinois.

Witness my hand and the seal of Lake Carroll Association the 15th day of July, 1989.

Stanley
Secretary

COPY

(CORPORATE SEAL)

I, Nancy L. MURPHY, Secretary of Deer Run Association, a corporation organized and existing under the General Not for Profit Corporation Act of 1986 of the State of Illinois, hereby certify, as Secretary and under the seal of Deer Run Association, that the Plan and Agreement of Merger to which this Certificate is attached previously was approved at a meeting of the board of directors of Deer Run Association, and was approved by the members of Deer Run Association at a special meeting of such members duly called and held on July 14, 1989, by the vote of a majority of the directors in office and the members having voting rights, and is the duly adopted agreement of Deer Run Association pursuant to the

provisions of the General Not for Profit Corporation Act of 1986 of the State of Illinois and the bylaws of Deer Run Association.

Witness my hand and the seal of Deer Run Association this 11th day of July, 1989.

Henry J. [Signature]
SECRETARY

(CORPORATE SEAL)

EXHIBIT A

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