

OAK RUN COVENANTS AND ASSESSMENT PROCEDURES

INTRODUCTION

The Oak Run residential development in Knox County, Illinois, consists of eight subdivisions which were platted by the original developer between 1971 and 1980. These covenants established a common scheme for the development as a whole. Each was filed in conjunction with a subdivision plat at the Knox County Recorder of Deeds office.

Forest Ridge and Westwood are the oldest subdivisions and were platted in 1971. Some of the covenants as originally platted were later amended by the Developer. The Table contained in this introduction identifies where all those documents were filed with the Knox County Recorder of Deeds in Galesburg, Illinois.

The next three subdivisions – Parkview, Charter Oak, and Old Orchard – were platted in 1972 and 1973. The covenants for these three subdivisions incorporated the three amendments which had already been filed as to the Forest Ridge and Westwood subdivisions.

In 1977, following a procedure contained in Article V, Sections 3-6, of all Oak Run subdivisions, the “basis and maximum” of the annual assessments for all then existing subdivisions was modified by the Oak Run membership to raise the base assessment to \$50 per “Original Lot,” plus a Cost of Living (COLA) adjustment. This change is included in the Windemere Covenants booklet.

The last three subdivisions platted at Oak Run were Windemere, Laurel Hill, and Brentwood. These were platted in 1979 and 1980 and incorporated in their covenants the assessment procedures previously adopted pursuant to Article V for the five prior subdivisions. There are provisions in the Windemere covenants for a marina site, but no marina was ever

developed on that site. The Windemere covenants booklet is available at the POA office for your review. The booklet is an example of what the covenants generally provide. You should, however, consult the covenants for your specific subdivision if you have any questions.

There is a minor discrepancy between Article VII, Section 1 in the covenants for the first four subdivisions and the more recently platted subdivisions regarding “for sale” signs. It is believed that the last three sets of covenants corrected a punctuation error (missing period) in the text and that the Developer’s intent is clear with the error corrected.

In 1981, again following the procedures in Article V, Sections 3-6, for all eight subdivisions, the Oak Run membership modified the “basis” for assessments by imposing assessments on each multiple owner of an “Original Lot.” This change is included in the Windemere covenants.

Because bylaws, rules, and administrative regulations of Oak Run are more likely to be amended or modified than the subdivision covenants and assessment procedures, these will be published in separate booklets which can be updated more frequently. In addition, Oak Run lots and owners are subject to various state and local laws and regulations which may also affect the development of and use of property at Oak Run.

The Oak Run covenants have been judicially construed by final judgments in two cases. Knox County Case 97-MR-43, dealt with whether the covenants prohibit or limit resubdivision of “Original Lots.” 97-MR-96 dealt with whether assessment procedures adopted at Oak Run in 1977 and 1981 violated the covenants. Oak Run’s position was sustained (or upheld) in both cases. A brief discussion of these cases is set forth in the last two sections of this introduction. Other cases may still be pending in the courts or may arise after publication of this booklet.

The Board of Directors hopes that this introduction will provide you with a general overview of issues involving the Oak Run covenants and assessment procedures. Any legal questions should be addressed to an attorney of your choice and not to the staff at Oak Run or the board members.

We hope your ownership experience at Oak Run is both pleasurable and rewarding.

Oak Run Property Owners Association
Board of Directors

<u>SUBDIVISION</u>	<u>DOCUMENT RECORDED</u>	<u>DATE RECORDED</u>	<u>KNOX COUNTY RECORD</u>
FOREST RIDGE	Declaration of Restrictive Covenants	November 17, 1971	Volume 729, Page 92
	Amendment	December 6, 1971	Volume 729, Page 597
	Amendment	July 24, 1972	Volume 741, Page 220
	Amendment	August 2, 1972	Volume 741, Page 625
WESTWOOD	Declaration of Restrictive Covenants	November 17, 1971	Volume 729, Page 103
	Amendment	December 6, 1971	Volume 729, Page 596
	Amendment	July 24, 1972	Volume 741, Page 218
	Amendment	August 2, 1972	Volume 741, Page 626
PARKVIEW	Declaration of Restrictive Covenants	November 17, 1972	Volume 747, Page 107
CHARTER OAK	Declaration of Restrictive Covenants	May 9, 1973	Volume 755, Page 570
OLD ORCHARD	Declaration of Restrictive Covenants	August 17, 1973	Volume 762, Page 342
	1977 Assessment Change for Forest Ridge, Westwood, Parkview, Charter Oak, and Old Orchard Subdivisions (Adopted August 22, 1977)	September 19, 1977	Volume 933, Page 154
WINDEMERE	Declaration of Restrictive Covenants	April 11, 1979	Volume 1011, Page 251
LAUREL HILL	Declaration of Restrictive Covenants	October 30, 1979	Volume 1043, Page 321
BRENTWOOD	Declaration of Restrictive Covenants	January 10, 1980	Volume 1051, Page 158
	1981 Assessment Change (Adopted December 19, 1981)	October 18, 1999	Volume 2389, Page 41

FACTORS AFFECTING RESUBDIVISION OF LOTS

The Oak Run covenants do not expressly or impliedly prevent the resubdividing of residential lots. This issue was litigated in Knox County Case 97-MR-43.

On the other hand, the Oak Run covenants may require connection to the Sanitary District sewer. The Sanitary District ordinance and Oak Run's own rules generally provide limitations to sewer connections and thereby may limit construction density.

Owners should consult the current Oak Run rules and public regulations, laws, and zoning requirements before proceeding with any resubdivision of, splitting, consolidation of, or other development of improvements on Oak Run property. Owners should also remain cognizant that assessments under Article V of the covenants are levied on "Original Lots" and might not be abated or reduced if lots are consolidated, combined, or re-platted.

ASSESSMENT LITIGATION

The covenants in all eight Oak Run subdivisions provide that the "basis and maximum" of annual assessments can be changed by following a procedure established in Article V of those covenants.

In 1977, the base amounts of the assessments for the five then existing subdivisions were increased with an annual Consumer Price Index (CPI) adjustment which was to be applied to increased base assessments. Subdivisions platted after 1977 have a similar provision in their covenants.

In 1981, the procedures established in Article V were used to change the "basis" for assessments in all eight subdivisions. The change provided that multiple owners (as defined) would each pay a separate assessment.

These changes in assessments went unchallenged until 1997 – when a lot owner filed Knox County Case 97-MR-96 claiming that these changes in the maximum of and for assessments violated the covenants. After years of litigation, the Circuit Court in Knox County ruled in favor of Oak Run and affirmed the assessment procedures adopted in 1977 and 1981 at Oak Run. That decision is now final.

Current assessment resolutions and procedures as well as Oak Run's rules are available at the Oak Run office.