00504787
45 00 8054 TB 001 Page 1 of 40
2000-07-07 16:04:51
Cook County Recorder 195.00
00504787

JONES/FLORAMO, LTD.
DECLARATION OF
PARTY WALL RIGHTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS FOR
FAIRWAYS OF MIDLOTHIAN

THIS DECLARATION is made and entered into on the date hereinafter set forth by Jones/Floramo, Ltd., an Illinois Corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner and legal title holder of certain real estate in the County of Cook, State of Illinois which real estate is legally described in Exhibit "A" attached hereto and by this reference made a part hereof; and

WHEREAS, the Declarant presently intends to market a development containing Townhouse Units, as hereinafter defined, together with certain common areas which will require uniformity and continuing care and maintenance for the privacy, benefit and enjoyment of all persons owning and residing in the Townhouse Units; and

WHEREAS, the Declarant has deemed it desirable for the efficient preservation of the values and amenities of the proposed development to create an agency to which shall be delegated and assigned the powers of maintaining and administering the Common Area, as hereinafter defined, and administering and enforcing the covenants and restrictions hereinafter contained and created, and

WHEREAS, Declarant will incorporate under the laws of the State of Illinois, as a not for profit corporation, the Fairways of Midlothian Townhouse Association for the purpose of exercising the functions aforesaid; and

WHEREAS, the Declarant desires to establish for its own benefit and the mutual benefit of all future owners, tenants and occupants of the aforesaid development and real estate and any part thereof, certain easements or rights in, over, under, upon, along and across said development and real estate and certain mutually beneficial restrictions and obligations with respect to the use, conduct and maintenance thereof;

NOW, THEREFORE, the Declarant hereby declares that only the real estate described in Exhibit "A" and such additions thereto as may hereafter be made is and shall be transferred, held, sold, conveyed and accepted subject to this Declaration of Party Wall Rights, Conditions, Restrictions and Easements. The Declarant does hereby further declare that the following easements, charges and liens shall: (1) exist at all times hereafter amongst all parties having acquired any right, title or interest in any portions of the real estate: (2) be binding upon and inure to the benefit of each Owner (as hereinafter defined); and (3) run with the land subjected to this Declaration, to be held, sold and conveyed subject thereto.

195

DECLARATION OF PARTY WALL RIGHTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR FAIRWAYS OF MIDLOTHIAN

INDEX

ARTICLE I

Section 1.01. "Association" shall mean and refer to Fairways of Midlothian Townhouse Association, a corporation existing under the General Not For Profit Corporation Act of the State of Illinois.

Sections 1.02. "Property" shall mean all portions of the Property intended for the common and exclusive use and enjoyment of all members of the Association and such uses thereto by way of easement or other grant as may be granted for the common and exclusive use and enjoyment of the Owners. The Common Area shall hereafter be brought within the jurisdiction of the Association. The Common Area shall generally include open space, driveways, walkways, green areas, private roads and lighting, which are listed and included in "Exhibit B". The Common Area and shall not include any Assessment Parcels or Townhouse Units.

Section 1.03. "Townhouse Unit" shall mean a residential housing unit consisting of a group of rooms which may be attached to one or more other Townhouse Units by common party walls and which are designed or intended for the exclusive use as living quarters for one Family, as hereinafter defined, as located upon the Property.

Section 1.04. "Owner" shall mean and refer to the record owners, whether one or more persons or entities, of a fee simple title to any Assessment Parcel, as hereinafter defined, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The term "Owner" shall include the Declarant to the extent of the number of Assessment Parcels owned by Declarant and also includes the interest of Declarant as contract seller of any Assessment Parcel.

Section 1.05. "Member" shall mean and refer to any person or entity who holds membership in the Association.

Section 1.06. "Declarant" shall mean and refer to solely as aforesaid, its successors and assigns, except a Purchaser of a Townshouse Unit as set for in Section 1.03.

Section 1.07. "Assessment Parcel" shall mean and refer to a portion or a lot in Fairways of Midlothian Townhouse Association, being a Subdivision of all or any part of the Property and the Adjoining Parcel, designated as such in any recorded such in any recorded Assessment Plat of any such Lot and upon which a Townhouse Unit is constructed.

Section 1.08. "Board" shall mean the Board of Directors of the Association and constituted at any time or from time to time, in accordance with the applicable provisions of Article III.

Section 1.09. "Occupant" shall mean any person or persons other than the Owner in possession of a Townhouse Unit.

Section 1.10. "Family" shall mean one or more persons related to the other by blood, marriage, or legal adoption, or a group of not more than three (3) persons not all so related, together with his or their domestic servants, maintaining a common household in a Townhouse Unit.

Section 1.11. "Bylaws" shall mean the Bylaws of the Fairways of Midlothian Townhouse Association, a copy of which is attached as Exhibit "D" hereto and by this reference made a part hereof.

ARTICLE II

MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any assessment parcel by the Association, including a contract seller, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Assessment Parcel which is subject to assessment by the Association. Ownership of such an Assessment Parcel shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successor in interest, if any, owns, one or more assessment parcels. Voting rights with regard to each Member are set forth in Article III hereof.

ARTICLE III

VOTING RIGHTS AND BOARD OF DIRECTORS

Section 3.01. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those owners as defined in Article II, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Assessment Parcel in which they hold the interest required for membership by Article II. When more than one person holds such interest in any Assessment Parcel, all such persons shall be Members. With respect to any Assessment Parcels that are held in a land trust, such designated beneficiary or beneficiaries shall have one vote for such Assessment Parcel. The vote for such Assessment Parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Assessment Parcel.

Class B. The Class B Members shall be the Declarant. The Class B Members shall be entitled to three (3) votes for each Assessment Parcel in which it holds the interest required for membership by Article II, provided that the Class B membership shall cease and be converted to Class A membership on the date which is three (3) years from the recording date of this Declaration. In the event additional property is annexed

pursuant to the provisions of Article XII hereof, the three (3) year period shall be applicable from the date Declarant records the Supplementary Declaration(s), if any are recorded, within the initial three (3) year period.

Section 3.02. The provisions of this Section hereof shall be mandatory. No owner of any interest in any Assessment Parcel shall have any right or power to disclaim, terminate or withdraw from his membership in the Association of any of his obligations as such Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such owner shall be of any force or effect, for any purpose.

Section 3.03. The Association shall have a Board of five (5) directors who shall be elected by the Members of the Associations at such intervals as the corporate charter and Bylaws of the Association shall provide, except the vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled by the board if so provided by the corporate charter or Bylaws and that the first Board may be appointed by the Declarant (or its beneficiaries or designee) and shall be three (3) in number. The Association shall have such officers as shall be appropriate from time to time who shall be elected by the Board who shall manage and conduct the affairs of the Association under the direction of the Board. Except as expressly otherwise provided by the charter or Bylaws, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in its Board from time to time and its officers under the direction of the Board, and shall not be subject to any requirement of approval on the part of its members. The corporate charter and Bylaws of the Association may include such provisions for the indemnification of its officer and directors as shall be permissible by law.

Section 3.04. The Association, being a Not For Profit Corporation, shall not distribute to its Members any sums in the nature of dividends upon its shares. To the extent that funds shall not be required for current expenditures or for such reserves, the next monthly assessments shall be abated, when required.

Section 3.05. Whenever possible the Association shall perform its functions and carry out duties by entering into agreements for the performance thereof with such persons and business entities regularly engaged in the performance of generally similar functions and duties as the Board shall determine, which agreements shall be made for such lengths of time, at such rates of compensation and upon such other terms and provisions as the Board shall determine, from time to time. Such persons or business entities may, but need not, be persons or business entities owning or otherwise directly or indirectly interested in the Property or any part thereof. The Association itself shall also have power to perform its functions and carry out its Duties.

Section 3.06. The Association, through the resolutions of the Boards, shall have the right to adopt rules and regulations governing the Assessment Parcels and the use thereof.

Section 3.07. The books and records to be kept by the Board shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, or any holder of a first mortgage lien on an Assessment Parcel at such reasonable time or times during the normal business hours as may be requested by the Owner or by the holder of said first mortgage lien.

ARTICLE IV

PROVISIONS RELATING TO THE COMMON AREA

Section 4.01. Every Member shall have a perpetual right and non-exclusive easement in, over, upon, along, across and to the Common Area for ingress and egress and use of the open spaces and other common facilities and the Common Area shall be for the common use and enjoyment of each Member, and such easement shall be appurtenant to and shall pass with the title to every Assessment Parcel subject to the following provisions:

(a) The right of the Association on behalf of the Members to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication or transfer. In the event Class B membership has ceased, then two-thirds (2/3) of the votes of the Class A membership shall required to make such dedication or transfer effective.

(b) As part of the overall program of development of the property into a residential community and to encourage the marketing thereof, the beneficiaries of the Declarant and its contractors, subcontractors and their respective agents and employees shall, for sales and construction purposes only, have the right of use of certain Assessment Parcels and the Common Area and facilities thereof without charge during the sales period on the property to aid in its marketing.

Section 4.02. There shall be upon the Common Area such driveways or portions thereof and walks as shall be necessary to provide ingress and egress to and from the Assessment Parcels for the use and benefit of the Owners of the Assessment Parcels and their guests and invitees, and such landscaping, and walks, benches and spaces for the parking of motor vehicles as the beneficiaries of the Declarant shall from time to time determine and shall be in compliance with such governmental laws, ordinances and regulations as shall be in effect during the development of the Property. The use of driveways and parking spaces in the Common Area shall be regulated by the Association. The Association shall be responsible for any maintenance and repair of all roadways and street lighting along such roadways, which are included in the common elements as "outlot A", including but not limited to, striping, resurfacing and snow removal. There

may also be upon the Common Area such facilities for the housing of tools, vehicles and equipment, and such other structures and facilities as shall be reasonably necessary for the carrying out of the duties imposed upon the Association hereunder, or as the Association may determine to erect from time to time.

Section 4.03. There may be upon the Common Area fences of such design as the Association shall determine from time to time, and shall be in conformity with all applicable governmental laws, ordinances and regulations.

Section 4.04. Any Member may delegate, in accordance with the Bylaws, his right of ingress and egress to the Common Area to the members of his family, occupants, guests, invitees, or contract purchasers who reside on the Property.

Section 4.05. Upon the completion of all of the improvements, the Declarant shall convey all of the Common Area to the Association.

Section 4.06. Declarant, its beneficiaries, agents, employees, guest and invitees shall have the right and easement of ingress and egress in over, under, upon, along and across the Common Area for sales and construction purposes until Declarant has conveyed all of the Assessment Parcels to the purchasers thereof.

Section 4.07.

(a) The Association shall have the right and duty to build, construction, re-construct, repair and maintain the Common Area.
(b) The Association, through resolutions of the Board, shall have the right to adopt rules and regulations governing use, maintenance and administration of the Common Area and for the health, comfort, safety and general welfare of persons using the Common Area.

Section 4.08. Notwithstanding any provisions herein to the contrary, the easements hereinafter created shall be subject to:

(a) The right of Declarant to execute all documents and do all other acts and things affecting the property which, in the Declarant's opinion, are desirable in connection with the Declarant's rights hereunder.
(b) Easements of record on the date hereof, and any easements which may hereafter be granted by Declarant to any public utilities or governmental bodies for the installation and maintenance of electrical and telephone conduit lines, gas pipes, sewers or water mains and pipes, or any other utility services serving any Assessment Parcel.

Section 4.09. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to or for any public use or purpose whatsoever.

Section 4.10. The Common Area will be subject to utility easements for sanitary and storm sewers, water, gas, electricity, telephone and any other necessary utilities. If any such utilities are not installed or any easements not created for same prior to conveyance of the Common Area, the Association shall grant such easement or easements upon request of the Declarant or upon its own resolution for the proper operation of the Property. The conveyance by Declarant of the Common Area and future additions thereto, is subject, without further reference in any such conveyance, to a reservation in favor of Declarant that it shall have the right thereafter to create such easements. Ameritech Telephone Co., ComEd, Northern Illinois Gas Co., and all other public and private utilities, including applicable cable company, serving the Property are hereby granted the right to lay, construct, renew, operate and maintain conduits, cables, pipes, wires, transformers, stretching apparatus and other equipment, into and through the Common Area and those portions of Assessment Parcels which are not improved with Townhouse Units for the purpose of providing utility services to the Property or any other portion of the Development Area.

Section 4.11. In the event that, by reason of the construction, re-construction, repair, movement, settlement or shifting of any structures located on the Property, any such structure encroaches or shall hereafter encroach upon any portion of the Property which is not owned by the owner of the encroachment, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of the owner. A valid easement for an encroachment shall in no event be created in favor of any unit owner other than the Declarant or the Developer, if incurred due to the willful conduct of the owner of such encroachment.

ARTICLE V

MAINTENANCE OF TOWNHOUSE UNITS

Section 5.01. The Association shall determine the need for and may carry out or cause to be performed all maintenance and repair to the exteriors of the Townhouse Units including, without limitation, all masonry walls, including the foundations thereof, roofs, gutters and downspouts made necessary and desirable in the discretion of the Association as a result of natural or ordinary wear and deterioration. The Association shall, in addition, determine the need for and shall carry out or cause to be performed all such maintenance and repair of all water, sewer, gas, telephone, and electrical lines incorporated in and forming a part of the Townhouse Units as originally constructed that service more than one Townhouse Unit and shall not include the maintenance or repair of any furnaces, water heaters, stoves, refrigerators, washing machines or household appliances, (provided, however, that the Association shall be responsible for the maintenance, repair and replacement, if necessary, of the sump pumps located in certain Townhouse Units which serve more than one Townhouse Unit), glass surfaces, patio and porch areas, decks, patio and porch windows and doors, electrical fixtures, air conditioners and compressors, or any other portion of said unit which services only one

Townhouse Unit or the interior of any Townhouse Unit or portion thereof. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repair shall be added to and become a part of the Assessment to which such Assessment Parcel is subject. The obligations of the Association as contained in this Section 5.01 shall be limited, however, to the extent that there are funds available in the Association's account from the assessments collected pursuant to Article VI hereof. In addition, the maintenance and repair of water softeners which are located in certain Townhouse Units and serve more than one Townhouse Unit shall be the responsibility of the Owners served by such water softeners.

Section 5.02 The Association shall pay, as agent and on behalf of the Owners and out of the funds furnished to it by them for such purpose, all taxes and other governmental impositions levied upon the Common Area or any part thereof.

Section 5.03. Each owner shall have the obligation to maintain in good condition and repair his glass surfaces, windows, front entry doors, electrical fixtures, patio, porch, deck, fences and walkways located on his Assessment Parcel. Privacy fences which separate one Assessment Parcel from another shall be maintained by the owners of their respective Assessment Parcels which said fences benefit and the design, appearance and location must be approved in writing, prior to construction, by the Architectural-Committee of the Association. Upon the failure of any owner to maintain those areas not the maintenance responsibility of the Association, the Association through its agents and employees, is hereby granted the right to enter upon the Assessment Parcel and make such reasonable repairs, maintenance, rehabilitation or restoration of the premises as may be necessary, and the costs thereof shall become a lien upon the Assessment Parcel in the same manner as provided in Article VI for non-payment of Maintenance Assessments. Notwithstanding anything herein to the contrary, the Association may elect, through its agents and employees, to perform any or all of the obligations imposed on each owner, and provided any such obligation is performed uniformly amongst all Assessment Parcels, from its operating budget.

Section 5.04. The Association shall have the right to draw water from individual Townhouse Units as required for efficient performance of its duties hereunder. The Association shall pay for all water/sewer bills incurred on the Property and each Owner shall be assessed for an equal share of said bills, regardless of whether or not water usage is individually metered.

Section 5.05. Any action by the Association which could affect the Owner's easement in the Common Area (mortgage, conveyance or dedication of the Common Area or annexation, merger, consolidation or dissolution of the Association) must have the consent of not less than two-thirds (2/3) of each class of Members.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.01. The Declarant, for each Assessment Parcel owned within the Property, hereby covenants, and each Owner of any Assessment Parcel by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or the conveyance, is deemed to covenant and agree to pay to the Association: Annual assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Assessment Parcel against which each such assessment is made. Each such assessment, together with such interests, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Assessment Parcel at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 6.02. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the property and in particular for the improvement and maintenance of the property, services and facilities devoted to this purpose and related to the use and enjoyment of such Common Area, and of the Townhouse Units situated upon the Property. Such uses shall include, but are not limited to, the cost to the Association of all taxes, insurance, repair, replacement and maintenance of the Common Area and of the maintenance of the exteriors of the Townhouse Units (except as otherwise provided herein) as may from time to time be authorized by the Board, and other facilities and activities, including, but not limited to mowing grass, caring for the grounds, landscaping located upon the Assessment Parcel, snow removal for both the driveways located upon the Common Area and the sidewalks located upon the Assessment Parcel, equipment, street lighting, if any, all sanitary and storm sewer and water lines, structures and appurtenances (other than those maintained by any governmental authority or utility company), perimeter fencing, if any, and other charges required by this Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements or that the Board shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, replacements, taxes and other charges as specified herein. In addition, water waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Unit Owners shall be paid for by the Association from the maintenance fund. In addition, the Board of Association, at its expense, shall be responsible for any maintenance and repair of all roadways and street lighting along such roadways, which are included in the common elements as "outlot A", including but not limited to, striping, resurfacing and snow removal. The Board or Association shall also be responsible for maintenance and repair of electronic privacy gates installed at entrances of development. In the event any utilities which benefit the Common Area are directly charged to any Owner, the Association will reimburse such Owner for any such expense. The Board reserves the right to levy additional assessments against any Owner to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund.

Section 6.08. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage now or hereafter placed on the Assessment Parcels provided, however, that such prior recorded mortgage shall be subject to the lien of all unpaid assessments with respect to such Assessment Parcel which become due and payable subsequent to the date the holder of said mortgage takes possession of the Assessment Parcel, accepts a conveyance of any interest in the Assessment Parcel or has a receiver appointed in a suit to foreclose his lien.

ARTICLE VII

INSURANCE

Section 7.01. The Association shall be responsible for procuring and maintaining comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring the Association from liability in connection with the ownership and/or use of the Common Area. The Association shall be further responsible for maintaining such policies of insurance for the Common Area against loss or damage by fire and such other hazards contained in the customary fire and extended coverage, vandalism and malicious mischief endorsements as the Association may deem desirable provided that such policies shall (i) provide that such policies may not be canceled or substantially modified without at least ten (10) days written notice to the Association and all mortgagees of record of the Common Area; (ii) provide that all mortgagees of record of the Common Area shall have the right to pay overdue insurance premiums and to obtain new coverage in the event the existing insurance policy lapses; (iii) provide for coverage in the amount of one hundred (100%) percent of full replacement value; and (iv) contain standard mortgage clause endorsements in favor of the mortgagee(s) of the Common Area, as their respective interests may appear. The Association may also obtain such other kinds of insurance as the Association shall from time to time deem prudent. The Association shall also maintain fidelity insurance against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association, naming, as the insured, the Declarant so long as it has an insurable interest, and the Association and written in an amount which is no less than one and one-half (1-1/2) times the insured estimated annual expenses and reserves. Such bond shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Such bond shall provide that it may not be canceled for non-payment of any premium or otherwise substantially modified without thirty (30) days prior written notice to all holders of first mortgages of record.

Section 7.02. Each Owner shall procure and maintain in full force at all times insurance covering his Townhouse Unit consisting of, or providing all the protection afforded by, the insurance now generally described as fire, extended coverage, additional

extended coverage, vandalism and malicious mischief, to one hundred (100%) percent of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation, less a deductible amount of no more than five hundred ($500.00) dollars and naming the Association as a co-insured on each policy. Such insurance shall be written by companies reasonably acceptable to the Association. A certificate of insurance evidencing such coverage shall be furnished to the Association and new certificates evidencing the renewal of each expiring insurance. In the event the Townhouse Unit or any portion thereof, is damaged or destroyed, the Owner thereof shall cause it to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good condition as existed immediately prior to such damage or destruction and the same architectural style and design as originally constructed and shall conform in all respect to the laws or ordinances regulating the construction or reconstruction. In the event of the total or substantial destruction of all of the Townhouse Units, the architectural design of the Townhouse Units, the materials to be used in constructing the same shall be agreed upon among the Owners thereof, and in the absence of agreement, the rebuilt Townhouse Units shall be substantially similar in architectural design as the original Townhouse Units and shall be constructed of comparable materials.

Section 7.03 Upon failure of any Owner to procure and maintain the insurance required in Section 7.02 hereof or, in the event the Board, in its discretion, determines that the Townhouse Unit is underinsured, the Board shall have the authority to procure such insurance and/or additional insurance, as the case may be, and the costs thereof shall become a lien upon the Assessment Parcels in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments.

Section 7.04. All repair, restoration or rebuilding pursuant to the provisions of this Article VII shall be carried out under such supervision and direction as the Board shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the Owner or Owners of each Townhouse Unit which shall have been damaged or destroyed shall fully cooperate with, and abide by all instructions and directions of, the Association in connection therewith.

Section 7.05 In the event of such damage or destruction of a Townhouse Unit, the holder of the mortgage encumbering said Townhouse Unit shall allow the proceeds of any insurance required pursuant to Section 7.02 hereof to be utilized in restoring the Townhouse Unit pursuant to the terms of this Article.

Section 7.06 In the event of any damage or destruction to the exterior portion of a Townhouse Unit and the loss is covered by policies of insurance, the Board shall have the authority to settle and adjust any claim under such policies without the consent of the respective Owner.

Section 7.07. In the case of a taking or condemnation by competent authority of any part of the Common Area, the proceeds awarded in such condemnation shall be paid to the Association and proceeds, together with any Capital Reserves being held for such

part of the Common Area shall, in discretion of the Board, either (i) be applied to pay the assessments levied by the Association, (ii) be distributed to the Owners and their respective mortgagees, as their interest may appear, in accordance with their respective interest in the Common Area in accordance with Section 6.05 or (iii) be used to acquire additional real estate to be used and maintained for the mutual benefit of all Owners. Any acquisition by the Association pursuant to this Section of real estate which shall become Common Area hereunder shall not become effective unless and until a supplement to this Declaration, which refers to this Section and legally described the real estate affected, is executed by the Association and recorded.

ARTICLE VIII

INTERIM PROCEDURE

Section 8.01. Until each of the various Assessment Parcels shall have been conveyed by the Declarant to the first Owner thereof (or to such Owner's nominee), the beneficial owner of the Declarant shall, with respect to each such unsold Assessment Parcel, have all the rights granted to the Owners.

Section 8.02. Until the initial meeting of the Members, the Declarant (or its beneficiaries or designees) may appoint the Board which shall have the same powers and authority as given to the Board generally.

Section 8.03. The powers granted to the beneficiaries of the Declarant by Section 8.02 hereof shall include, without limitation, the power to assess upon and collect from the individual Owners, their respective proportionate shares of the funds required for the carrying out of all the duties and obligations of the Association.

ARTICLE IX

RESTRICTIONS RELATING TO PROPERTY

Section 9.01. Each Assessment Parcel conveyed shall be designated by a separate legal description and shall constitute a freehold estate subject to the terms, conditions and provisions hereof.

Section 9.02. The Assessment Parcels shall be used only for residential purposes, as a private residence, and no professional business or commercial use shall be made of the same, or any portion thereof or resident's use of an Assessment Parcel endanger the health or disturb the reasonable enjoyment of any other Owner or resident, except as provided in Section 4.01(b) herein and provided further, that the Assessment Parcel restrictions contained in this Section shall not be construed in such manner as to prohibit an Owner from (a) maintaining his personal, professional library therein; (b) keeping his personal, business or professional records or accounts therein; or (c) handling his personal, business or professional telephone call or correspondence therefrom.

Section 9.03. No buildings other than Townhouse Units shall be located on each Assessment Parcel.

Section 9.04. Except as hereinafter provided in Section 9.06 hereof, no structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuildings shall be used as a residence at any time, either temporarily or permanently.

Section 9.05. No advertising sign (except "For Sale" sign after January 1, 2000 of not more than five square feet per Townhouse Unit), billboards, unsightly objects, or nuisance shall be erected, placed or permitted to remain on the Townhouse Unit except as provided in Section 9.06 hereof.

Section 9.06. The foregoing covenants of this Article IX shall not apply to the activities of the Declarant. The Declarant may maintain, while engaged in construction and sales activities, in or upon such temporary facilities as in its sole discretion may be necessary or convenient, including, but without limitation, offices, storage areas, model units, signs and construction trailers.

Section 9.07. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Assessment Parcel, except dogs, cats or other common household pets may be kept, provided that they are not kept, bred, or maintained for commercial purposes.

Section 9.08. All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Townhouse Units and Streets, and shall be regularly removed from the Property, and shall not be allowed to accumulate thereon.

Section 9.09. Owners shall not cause or permit anything to be placed on the outside walls, roof, patios, or porches, nor under porches, of any of the Townhouse Units and no sign, awning, canopy, shutter, radio, television antenna, or such other apparatus shall be affixed to or placed upon the exterior walls, roof, patios, or porches of any Townhouse Unit, or any part thereof, without the prior written consent of the Board. Wood decks may be constructed at the lower level. The design, square footage, contours, type of wood and construction of each deck shall be subject to the prior written approval of the architectural committee of the Association. Such patios and decks in conformity herewith shall not be entitled to encroach into the Common Area.

Section 9.10. An Owner shall do no act nor any work that will impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Townhouse Units or their Owners.

Section 9.11. There shall be no change in any exterior color of any Townhouse Unit from the color scheme existing upon the date of the recording of this Declaration without the prior written approval of the Association. The exterior side of all draperies

and shades visible from the exterior of any unit shall be white or off white. The installation of any exterior storm door must be approved, in writing, prior to installation, by the Association.

Section 9.12. No nuisance, noxious or offensive activity shall be allowed on the property nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or Occupants.

Section 9.13. Each Assessment Parcel is hereby declared to be subject to an easement and right to and in favor of the Association and each and all of its employees, agents and instrumentality's to go upon such Assessment Parcel for reasonable inspection thereof from time to time and for the purpose of carrying out any and all of the obligations and functions with respect to such Assessment Parcel and the Townhouse Unit located thereon as are herein imposed upon or permitted to the Association. Each Assessment Parcel is further declared to be subject to an easement in favor of any adjoining Assessment Parcel to the extent necessary to permit the maintenance, supply, repair and servicing of utility services to the various Assessment Parcels and Townhouse Units located thereon.

Section 9.14. The Owner of each Assessment Parcel shall from time to time grant such additional easements and rights over, across, on under and upon his Assessment Parcel as may be reasonably necessary in connection with the supply of any of the utilities described in Section 4.10 hereof to any part of the Property.

Section 9.15. The Board may adopt such other rules and regulations from time to time governing the use and enjoyment of the Common Area and the use of the Assessment Parcels as the Board, in its sole discretion, deems appropriate or necessary.

Section 9.16. Parking areas and driveways shall be used for parking operable automobiles only and shall not be used for campers, trailers, snowmobiles, boats or any other purpose. The Board may authorize such vehicles parked in violation of this provision to be towed away and any such towing and storage charges shall become a lien upon the Assessment Parcel of the Owner of the vehicle in the same manner as provided in Article VI hereof for non-payment of maintenance assessments.

Section 9.17. Each Assessment Parcel and the Common Area is hereby subjected to a permanent easement appurtenant to any adjoining Assessment Parcel to permit the construction, existence, maintenance, repair and restoration of structures located on such adjoining Assessment Parcel, including roof structures which overhand and encroach upon the servient Assessment Parcel or Common Area, provided that the construction of such structure is permitted and approved as elsewhere herein provided. The Owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to maintain, repair and restore any improvements located on the dominant tenement provided, however, that such entry shall be allowed only during daylight hours and with the prior knowledge of the Owner of the servient

tenement. The owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the owner of the dominant tenement granted by this Section 9.17 any such improvement, material or obstacle shall be promptly removed at the owner's expense when requested by the owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area.

Section 9.18. No building, fence, wall or other structure or landscaping shall be commenced, erected or maintained upon the Property except such as are installed or approved by the Declarant in connection with the initial development of the Townhouse Units upon the Property, nor shall any exterior addition to or change or alteration or, in the event of a casualty loss, any restoration made to the exterior portion of any Townhouse Unit therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same, and the grading plan and landscape plan shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board or by an architectural committee of three (3) or more persons appointed by the Board. In the event the Board, or its architectural committee, fail to approve or disapprove such design and location within sixty (60) days after said plans and specification have been submitted to it, or in the event no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, or change has been commenced prior to the completion thereof, approval will not be required and this Section 9.18 will be deemed to have been fully complied with. The Board or its architectural committee shall, in addition, have the right to approve the general contractor responsible for performing the work in connection with the restoration of the exterior portion of any Townhouse Unit in the same manner as approval of plans and specification is obtained.

Section 9.19. Until such time as title to any Assessment Parcel is conveyed to a bona fide purchaser, the Declarant reserves the right to lease such Assessment Parcels upon such terms and conditions as the Declarant may, in its sole discretion, approve provided, however, that no Townhouse Unit shall be leased by an Owner for hotel or transient purposes or for a term less than six (6) months and no portion of a Townhouse Unit which is less than the entire Townhouse Unit shall be leased. Each lease of any one or more Townhouse Units shall be in writing and a copy of every lease, as and when executed, shall be furnished to the Board. The lessee under every such lease shall be bound by and subject to all of the obligations, under the Declaration and Bylaws, of the Owner making such lease and any rules and regulations issued in connection herewith and the failure of the lessee to comply therewith shall constitute a default under the lease which shall be enforceable by the Board or the Association, and the lease shall be deemed to expressly so provide. The Owner making such lease shall not be relieved thereby from any of said obligations.

Section 9.20. No Townhouse Unit shall be occupied by more that two (2) persons, if the Unit consists of one (1) bedroom, four (4) persons, if a two (2) bedroom unit; and (6) persons if a three (3) bedroom unit. The Association may enforce this restriction through injunctive or other appropriate relief.

ARTICLE X
PARTY WALLS

Section 10.01. All dividing walls which straddle the boundary line between Assessment Parcels and which stand partly upon one Assessment Parcel and partly upon another, and all walls which serve two or more Townhouse Units, shall at all times be considered party walls, and each of the owners of Assessment Parcels upon which any such party wall shall stand shall have the right to use said party wall below and above the surface of the ground and along the whole length or any part of the length thereof for the support of said Townhouse Units and for the support of any building constructed to replace same, and shall have the right to maintain in or on said wall any pipes, ducts or conduits originally located therein or thereon subject to the restrictions hereinafter contained.

Section 10.02. No Owner of any Assessment Parcel nor any successor in interest to any such owner shall have the right to extend said party wall in any manner, either in length, height or thickness.

Section 10.03. In the event of damage to or destruction by fire or other casualty of any party wall, including the foundation thereof, the owner of each Assessment Parcel upon which such party wall may rest shall have the obligation to repair or rebuild such wall and the owner of each Assessment Parcel upon which such wall shall rest, be served or benefited by shall pay his aliquot portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, in a workmanlike manner with materials comparable to those used in the original wall and shall conform in all respects to the laws or ordinances regulating the construction of building in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall.

Section 10.04. The foregoing provision of this Article notwithstanding, the owner of any Assessment Parcel, or other interested party, shall retain the right to receive a larger contribution from another or others under any rule or law regarding liability for negligent or willful acts or omissions. The right of any owner, or other interested party, to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's or other person's successor in title.

Section 10.05. The title of each owner to the portion of each party wall with such Townhouse Unit is subject to a cross easement in favor of the adjoining owner for joint use of said wall.

ARTICLE XI

MISCELLANEOUS PROVISIONS RESPECTING MORTGAGES

11.01 The following provisions are intended for the benefit of each holder of a recorded first mortgage or trust deed encumbering an Assessment Parcel ("First Mortgage") and to the extent, if at all, that any other provisions of this Declaration conflict with the following provisions, the following provisions shall control:

(a) Upon request in writing to the Association identifying the name and address of the First Mortgagee or the insurer or guarantor of a recorded first mortgage or trust deed on an Assessment Parcel ("Insurer or Guarantor") and the Assessment Parcel number, the Association shall furnish each First Mortgagee, Insurer or Guarantor a written notice of any Owner's obligations under this Declaration which is not cured within thirty (30) days. Any First Mortgagee or an Assessment Parcel who come into possession of the said Assessment Parcel pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure shall, to the extent permitted by law, take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged Assessment Parcel which become due prior to (i) the date of the transfer of title or (ii) the date on which the holder comes into possession of the Unit, whichever occurs first.

(b) Upon request in writing, each First Mortgagee, Insurer or Guarantor shall have the right:

(i) to examine current copies of this Declaration, the Bylaws, rules and regulations and the books and records of the Association during normal business hours;

(ii) to receive, without charge and within a reasonable time after such request, any annual audited or unaudited financial statement which are prepared and distributed by the Association to the Owners at the end of each of its respective fiscal years, provided, however, that in the event an audited financial statement is not available, 51% or more of the First Mortgagees (by number) shall be entitled to have such an audited statement prepared at their expense;

(iii) to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

(iv) to receive written notice of any decision by the Owners to make a material amendment to the Declaration, Bylaws contained herein or Articles of Incorporation;

(v) to receive written notice of any action which would require the consent of a specified percentage of First Mortgages.

(c) No provision of this Declaration or Articles of Incorporation of the Association or any similar instrument pertaining to the Property or the Assessment Parcels therein shall be deemed to give an Owner or any other party priority over the rights of the First Mortgagees pursuant to their mortgages, in the case of distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of the Assessment Parcels, and/or the Common Area, or any portion thereof or interest therein. In such event, the first Mortgagees, Insurers or Guarantors, upon specific written request, shall be entitled to timely written notice of any such loss.

(d) Unless the First Mortgagees of all of the Assessment Parcels which are a part of the Property have given their prior written approval, neither the Association nor the Owners shall be entitled to:

(i) by act or omission seek to abandon or terminate the Association and/or abrogate this Declaration, or to abandon, partition, subdivide, encumber, sell or transfer the Common Area.
(ii) change the obligations of any Owner for purposes of levying assessments or charges of allocating distributions of hazard insurance proceeds or condemnation awards;
(iii) use hazard insurance or condemnation proceeds for losses to any Property for other than the repair, replacement or construction of such improvements;
(iv) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of Townhouse Units, or the maintenance of the Common Area; or
(v) fail to maintain the insurance required in Section 7.01.

(e) Unless the First Mortgagees of the individual Assessment Parcels representing at least fifty-one (51%) percent of the votes in the Association have given their prior written approval, neither the Association nor the Owners shall be entitled to:

(i) amend the provisions of this Declaration concerning reserves, assessments, assessment liens or subordination of assessment liens, reallocating interest in the Common Area or rights to use, expansion or contraction of the Property to or from this Declaration, voting rights, responsibility for maintenance and repairs, insurance or fidelity bonds and leasing of units;
(ii) impose any restrictions on an Owner's right to sell or transfer his Unit; or
(iii) terminate professional management of the Property and assume self-management thereof.

(f) Upon specific written request to the Association, each First Mortgagee, Insurer or Guarantor of a Unit shall be furnished notice in writing by the Association of any damage to or destruction or taking which exceeds Ten Thousand Dollars ($10,000.00), or if damage shall occur to an Assessment

Parcel in excess of One Thousand Dollars ($1,000.00), notice of such event shall also be given.

(g) If any Assessment Parcel or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the First Mortgagee, Insurer or Guarantor of said Assessment Parcel will be entitled to timely written notice, upon specific written request, of any such proceeding or proposed acquisition and no provisions of any document will entitle the Owner of an Assessment Parcel or other party to priority over such First Mortgage with respect to the distribution to such Assessment Parcel of the proceeds of any award settlement.

(h) First Mortgagees may, singly or jointly, pay taxes or other charges which are in default and which may become a charge against the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a new policy, for such Common Area and such First Mortgagees shall be owed immediate reimbursement from the Association.

ARTICLE XII

MISCELLANEOUS

Section 12.01. The Association or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, easements, conditions, covenants, liens and charges now or hereafter imposed by the provisions of this Declaration. Any Owner found to be in violation by a court of competent jurisdiction of any of the foregoing shall also be liable for reasonable attorney's fees incurred by the Association in prosecuting such action. The amount of such attorney's fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Owner's Assessment Parcel, enforceable as other liens herein established. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do thereafter.

Section 12.02. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 12.03. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Owner of any Assessment Parcel subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinafter set forth. The covenants and restrictions of this Declaration may be amended during the first (50) year period or within any successive ten (10) year period by an instrument signed by

those Members, (Class A and Class B) entitled to cast seventy-five percent (75%) of the total votes as provided in Article III, Section 3.01 hereof and then properly recorded. These covenants and restrictions may also be canceled or amended by an instrument signed by sixty-seven percent (67%) of Owners executed and recorded within ninety (90) days of the expiration of any successive ten (10) year period, such cancellation or amendment to be effective on the date of commencement of the ten (10) year period in question. Any instrument executed pursuant to the provisions contained herein shall be filed for record in the Office of Recorder of Cook County, Illinois, and a true, complete copy of such instrument shall be transmitted to each Owner promptly.

Section 12.04. If and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting restraints on alienation, or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provision concerned shall continue and endure only until the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all the descendants of the President of the United States of America and the Mayor of the City of Chicago, living at the date of this Declaration.

Section 12.05. Any notices required to be sent to any member of the Association or to an Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Member or Owner as it appears on the records of the Association at the time of such mailing.

Section 12.06. If at any time or times the Board shall deem it necessary or advisable to re-record this Declaration or any part hereof in the office of the Recorder of Cook County, Illinois, in order to avoid the expiration hereof or of any of the covenants, easements, agreements or other provisions here contained under any of the provisions of the Illinois Conveyances Act, or any other law or statute of similar purport, they shall submit the matter to a meeting of the Members called upon not less than ten (10) day's notice, and unless at such meeting at least two-thirds (2/3) of Members shall vote against such re-recording shall be binding upon all Owners of any part of the Property in every way and with all the full force of said Owners and re-recorded document executed and acknowledged by each of them.

Section 12.07. All the easements, rights, covenants, agreements, reservations, restrictions and conditions herein contained shall run with the land and shall inure to the benefit of and binding upon Declarant and each subsequent holder of any interest in any portion of the Property and their grantees, heirs, successors, personal representatives and assigns with the same full force and effect for all purposes as though set forth at length in each and every conveyance of the Property or any part thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easement and covenants herein described shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees or

trustees of such parcels as fully and completely as though said easements and covenants were fully recited and set forth in their entirety in such documents.

Section 12.08. An amplification of and in addition to the provisions contained in Article VI, Section 6.07, in the event of any default of any owner, the Association may and shall have the right and remedy as shall otherwise be provided or permitted by law, including the right to take possession of such Owner's interest and Assessment Parcel for the benefit of all other owners by an action for possession in the manner prescribed in Article IX of the Code of Civil Procedure, 735 ILCS, 5/9-101. Et. Seq.

Section 12.09. Notwithstanding anything in the Declaration to the contrary, with regard to the provisions of Section 13.03, Section 6.08 and Article XI, no amendment to, change or modification of these Sections and/or Article shall be effective unless such a change or amendment shall be first consented to, in writing, by all mortgagees of record of such Assessment Parcels.

Section 12.10. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class cooperative housing development.

Section 12.11. The Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency, or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Assessment Parcels, or (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting as Assessment Parcel, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to any Assessment Parcel or any part of the Adjoining Parcel.

Section 12.12. Declarant hereby reserves the right from time to time, prior to seven (7) years from the date of recording of this Declaration, to add portions of the Development Area approximately 5 acres in size located West of the Northern cul du sac

on Billy Casper Drive to the property and submit such portions to this Declartion, as hereinafter provided. For the purposes of this Article, any portion of the Development Area which is made subject to the Declaration and By-Laws by an Amendment to the Declaration shall be referred to as "Added Property", and any dwelling from a Building in the Added Property shall be referred to as "Townhouse Unit". In making Added Property part of the Property, the following shall apply (a) The development plan calls for 39 Lots. The development plan may be changed by the Developer at any time or from time to time without notice, and the Developer may amend or supersede the Declaration to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing Administration, the Veteran's Administration, or any other governmental agency or other public, quasi-public or private entity which performs (or may in future perform) functions similar to those currently performed by such entities. Such change will occur by recording an Amendment. (b) Added Property may be made part of the Property at different times; there is no limitation on the order in which Added Property may be made part of the Property; and no particular portion of Development Area must be made part of the Property; (c) The approval of any of the Townhouse Unit Owners, including their mortgage holders, if any, to future townhome Amendments for said additional parcels shall not be required and said Townhouse Unit Owners may not prohibit such adding on of said additional property, however, the consent of any governmental or quasi-governmental agency that holds, insures or guarantees any mortgage in any townhome at the time of the amendment shall be obtained.

Section 12.13. It is understood that when the initial plat of survey was prepared, all of the foundations for the Buildings located on the Parcels were not poured or the Buildings were substantially, but not wholly, completed, and since the structural components of the Buildings constituting all the Townhouse Unit boundaries may not then have been in place, Declarant reserves the right to and shall cause to be recorded from time to time until all of said structural components are in place, an amended survey or surveys showing the actual locations and dimensions of the boundaries of those Townhouse Units in the Buildings that are completed after the original plat was recorded. Whenever in this Declaration the term "survey"or "surveys" appears, it shall be deemed to include such amended survey or surveys as shall be hereafter recorded pursuant to this paragraph.

Section 12.14. In the event title to any Townhouse Unit is conveyed to a land title-holding trust, under the terms of which all powers of management, operation and control of the unit remain vested in the trust beneficiary or beneficiaries, then the Townhouse Unit ownership under such trust and the beneficiaries thereunder from time to time shall be responsible for payment of all obligations, liens or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Townhouse Unit owner. No claims shall be made against any such title-holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust

properly to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Townhouse Unit owner and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of such Townhouse Unit owner.

THIS DECLARATION is executed by the Jones/Floramo, Ltd.

IN WITNESS WHEREOF, said Declarant as aforesaid has caused it's corporate seal to be affixed hereunder and has caused its name to be signed to these presents by its President and attested by its Secretary this 26 day of June, 2000.

JONES/FLORAMO, Ltd.
An Illinois Corporation

Anthony C. Floramo, It's President

Attest:

William Jones, Secretary

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, **DO HEREBY CERTIFY THAT** Anthony C. Floramo, personally known to me to be the President of Jones/Floramo, Ltd. and William Jones, personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal this 26th day of June, 2000

My Commission Expires:

NOTARY PUBLIC

Frances Kay Birchfield

"OFFICIAL SEAL"
FRANCES KAY BIRCHFIELD
COMMISSION EXPIRES 05/08/04

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38 AND 39 IN FAIRWAYS OF MIDLOTIHIAN UNIT B BEING A SUBDIVISION OF PART OF THE WEST HALF (1/2) OF THE SOUTHEAST QUARTER (1/4) OF SECTION 9, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE MIDLOTHIAN TURNPIKE, ALL IN COOK COUNTY, ILLINOIS.

P.I.N.: 28-09-200-001
COMMON ADDRESS:

EXHIBIT B

LEGAL DESCRIPTION OF THE COMMON AREA

OUTLOT "A" IN FAIRWAYS OF MIDLOTHIAN UNIT B, BEING A SUBDIVISION OF PART OF THE WEST HALF (1/2) OF THE SOUTHEAST QUARTER (1/4) OF SECTION 9, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE MIDLOTHIAN TURNPIKE, ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT C

PARCEL OF LAND NOT MORE THAN 5 ACRES OF LAND ADJACENT AND CONTIGUOUS TO LAND DESCRIBED IN EXHIBIT "A" AND EXHIBIT "B" ABOVE.

EXHIBIT D

BYLAWS

OF

FAIRWAYS OF MIDLOTHIAN TOWNHOUSE ASSOCIATION

ARTICLE I

Purposes and Powers

1.01 The Association shall be responsible for the general management and supervision of the Property and the Common Area thereof and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration. Further, the Association shall have all powers now or hereafter granted by the General Not for profit Corporation Act of the State of Illinois which shall be consistent with the purposes specified herein and in the Declaration.

ARTICLE II

OFFICES

2.01 Registered Office. The Association shall have and continuously maintain in this State a Registered Office and a Registered Agent whose office shall be identical with such Registered Office. The Association may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

2.02 Principal Office. The principal office of the Association shall be maintained in Cook County, Illinois.

ARTICLE III

MEMBERSHIP

3.01. Voting members. Every person or entity who is a record owner of a fee or undivided fee interest in any Assessment Parcel which is subject by covenants of record to assessment by the Association shall be a member of the Association. A voting member includes the designated beneficiary of a land trust. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Assessment Parcel which is subject to an assessment by the Association. Ownership of such Assessment Parcel shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its

successors in interest, if any, owns one or more Assessment Parcels. Voting rights with regard to each member are set forth in Section 3.02 hereof.

3.02 Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Section 3.01, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Assessment Parcel in which they hold the interest required for membership by Section 3.01. When more than one person holds such interest in any Assessment Parcel, all such persons shall be Members. In the event an Assessment Parcel is held in a land trust, such designated beneficiary shall be voting Member. The vote for such Assessment Parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Assessment Parcel.

Class B. The Class B Members shall be the beneficiaries of the Declarant. The Class B Member shall be entitled to three (3) votes for each Assessment Parcel in which it holds the interest required for membership by Section 3.01; provided that the Class B membership shall cease and be converted to Class A membership on the date which is three (3) years from the recording of the Declaration.

3.03 Meetings.

(a) Quorum: Procedure. Meetings of the Members shall be held at the principal office of the Association or at such other place in Cook County, Illinois as may be designated in any notice of a meeting. The presence at any meeting, in person or by proxy, of a majority of the total votes determined pursuant to Section 3.02 above shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the members at which a quorum is present upon the affirmative vote of the members having a majority of the total votes present at such meeting. Any Member in writing may waive notice of a meeting, or consent to any action of the Association without a meeting..

(b) Initial and Annual Meeting. The initial meeting of the Members shall be held at such time as may be designated upon thirty (30) days written notice given by the Declarant, provided that such initial meeting shall be held no later than three (3) years from the date the Declaration was recorded. Thereafter, there shall be an annual meeting of the Members on the first Tuesday of April of each succeeding year, at 7:30 o'clock P.M. If the date for the annual meeting of members is a legal holiday, the meeting will be held at the same hour on the first day next succeeding such date which is not a legal holiday.

(c) Special Meetings. Special meetings of the Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these Bylaws, require the approval of all or some of the Members, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board or by the members

having one-fourth (1/4) of the total votes, and delivered not less than five (5) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

3.04 Notice of Meetings. Notices of meetings required to be given herein shall be delivered either personally or by mail to the person entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Townhouse Unit of the Owner with respect to which such voting right appertains, if no address has been given to the Board. The notices required herein shall state the specific purpose and the nature of the business for which the meeting is called. At any meeting, no business may be transacted other than that specified in the notice.

3.05 Proxies. At any meeting of Members, a Member entitled to vote may either vote in person or by proxy executed in writing by the member of by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy and every proxy must bear the date of execution.

ARTICLE IV

BOARD OF DIRECTORS

4.01 Board of Directors. The direction and administration of the property in accordance with the provisions of the Declaration shall be vested in the Board of Directors, consisting of five (5) persons who shall be elected in the manner hereinafter provided, except for the first Board of Directors appointed by the Declarant (or its beneficiaries or designee) which shall be three (3) in number. The members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the number and term of the office of the Board members at any annual meeting, provided that such number shall not be less than five (5), and that the terms of at least two-fifths (2/5) of the persons on the Board shall expire annually. Each member of the Board with the exception of the Board members initially appointed by the Declarant (or its beneficiaries or designee) shall be one of the Owners (including the Declarant); provided, however, that in the event an Owner is a corporation, partnership, individual trustee or beneficiary of such trust, or manager of such legal entity, shall be eligible to serve as a member of the Board and provided further than in the event a member of the Board has entered into a contract to sell his Townhouse Unit and vacates the Townhouse Unit prior to the consummation of that transaction, such member shall no longer be eligible to serve on the Board and his term of office shall be deemed terminated.

4.02 Determination of Board to be Binding. All matters of dispute or disagreement between Owners or with respect to interpretation or application of the provisions of the Declaration or these Bylaws shall be final and binding on the Association and on all owners.

4.03 Election of Board Members. At the initial meeting of the Members and at all subsequent annual meetings of the Members, there shall be elected a Board of Directors. In all elections for member of the Board of Director, no Member shall be entitled to vote on a cumulative voting basis 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. The initial Board of Directors designated by the Declarant pursuant to Section 4.01 hereof shall serve for a period commencing on the date the Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of Members held as provided in Section 3.03(b) hereof. Members of the Board elected at the initial meeting shall serve until the first annual meeting. Five (5) Board members shall be elected at the initial meeting. The three (3) 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 two (2) persons 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 terms. Upon expiration of the terms of office of the Board members so elected at the initial meeting and thereafter, successors shall be elected for a term of two (2) years each. Notwithstanding the aforesaid election procedure, the Declarant or its designees may appoint a Board which will have the same powers and authority as given to the Board generally, as provided hereinafter, and such appointed Board shall function until such time as the initial meeting of the Members is held.

4.04 Compensation. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

4.05 Vacancies in Board. Vacancies in the Board, other than as a result of removal pursuant to Paragraph 4.07 hereof, including vacancies due to any increase in the number of persons on the Board, shall be filled by the remaining Members of the Board or by the Members present at the next annual meeting or at a special meeting of the members called for such purpose.

4.06 Election of Officers. The Board shall elect from among its members a President who shall preside over both its meetings and those of the Members, and who shall be the chief executive officer of the Board and Association, a Secretary who will keep the minutes of all meetings of the Members and of the Board who shall, in general, perform all the duties incident to the office of the Secretary, and a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

4.07 Removal of Board Members. Any Board member may be removed from office by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Board member removed may be

elected by the Members at the same meeting or any subsequent meeting called for that purpose.

4.08 Meeting of Board. The initial meeting of the Board shall be held immediately following the initial meeting of the members and at the same place. At such meeting, the Board shall elect its officers to serve until the first annual meeting of the Board which shall be held immediately following the first annual meeting of the Members and at the same place. All subsequent annual meetings of the Board shall be held without other notice than required by the Bylaws, immediately after, and at the same place as, the annual meeting of Members. Special meetings of the board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each member, delivered personally or by mail or telegram. Any member may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board without a meeting. A majority of the number of Board members shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action may be taken by the Board upon the affirmative vote of those present at its meetings when a quorum is present.

4.09 Execution of Documents. All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and countersigned by the Secretary.

ARTICLE V

POWERS OF THE BOARD

5.01 General Powers of the Board. Without limiting the general powers which may be provided by law, the Declaration or these Bylaws, the Board shall have the following general powers and duties:

(a) to elect the officers of the Association as herein above provided;
(b) to administer the affairs of the Association and the Property;
(c) subject to Section 5.04(b) below, to engage the services of a manager of managing agent who shall manage and operate the Property and the Common Area thereof;
(d) to formulate policies for the administration, management and operation of the property and the Common Area thereof;
(e) to adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Area, and to amend such rules and regulations from time to time;

(f) to provide for the maintenance, repair and replacement of the Common Area and the exterior portions of the Townhouse Units and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Area and the exterior portions of the Townhouse Units and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be the employees of the managing agent);

(h) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners of such Assessment Parcels which have been occupied for residential purposes, their respective shares of such estimated expenses, as hereinafter provided;

(i) to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication or transfer. In the event Class B membership has ceased, then two-thirds (2/3) of the votes to the Class A membership shall be required to make such dedication or transfer effective;

(j) to mortgage or sell the Common Area or any portion for such purposes and subject to such conditions as may be agreed to by the members. No such mortgage or sale shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the Class B membership, if any, has been recorded, agreeing to such mortgage or sale. In the event Class B membership, if any, has been recorded, agreeing to such mortgage or sale. In the event Class B membership has ceased, then two-thirds (2/3) of the votes to Class A membership shall be required to make such mortgage or sale effective;

(k) the Board shall be equally responsible with the Townhouse Association Board for the Common Area, underground sprinkler and other similar items that benefits both the Townhouses. The cost of such maintenance, repair and replacement of these items and other similar items that benefit the Townhouses shall be borne by the Townhouse Association on a pro-rata basis;

(l) to have reasonably right of entry on any Assessment Parcel to perform emergency repairs or do other work reasonably necessary for the proper maintenance of the Property; and

(m) to exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the members by the Articles of Incorporation, the Declaration or these Bylaws.

5.02 Capital Additions and Improvements. The Board's powers herein above enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations, capital additions or capital improvements to the Common Area (other than for purposes of replacing or restoring portions of the Common Area, subject to all the provisions of the Declaration) or to those portions of the Townhouse Units as set forth in Section 5.01 of the Declaration having a total cost in excess of Five Thousand Dollars ($5,000.00), without in each case the prior approval of the Members holding two-thirds (2/3) of the total votes.

5.03. Tax Relief. In connection with the Common Area, the Board shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and the charge all expenses incurred in connections therewith to the maintenance fund.

5.04 Rules and Regulations; Management.

(a) Rules. The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the property, and for the health, comfort, safety and general welfare of the Owners and Occupants. Written notice of such rules and regulations shall be given to all Owners and Occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

(b) Management. The Declarant, beneficiaries of Declarant or the Board shall engage the initial management organization under contracts expiring not later than ninety (90) days after the date the initial meeting of Members is held. Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board. Any management fees incurred pursuant to this Section 5.04(b) shall be paid from the assessments collected pursuant to Article VI hereof.

(c) Nothing herein above contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the Owners or any of them.

(d) Units owned by a land trust: With respect to Units owned by a land trust, if a trustee designate, in writing, a person to cast votes on behalf of the Unit Owner, that designation shall remain in effect until a subsequent document is filed with the Association.

5.05 Liability of the Board of Directors. The members of the Board and the officers of the Association shall not be personally liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith by such officers or Board members. The Owners shall indemnify and hold harmless

each of the Members of the Board and each of the officers against all contractual liability to others arising out of Contracts made by the Board or officers on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any owner arising out of any such contract made by the Board or officers or out of the aforesaid indemnity in favor of the members of the Board or officers, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder.

ARTICLE VI

ASSESSMENTS - MAINTENANCE FUND

6.01 Preparation of Estimated Budget. Each year on or before December 1, the Board will estimate the total amount necessary to pay the cost of wages, materials, taxes, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services authorized by the Board, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall, on or before December 15, notify each owner in writing as to the amount of such estimate ("Estimated Cash Requirement"), with reasonable itemization thereof. The Estimated Cash Requirement shall be assessed equally among all the owners. On or before January 1 of the ensuing calendar year, and the first of each and every month of said year, each owner shall be obligated to pay the Board, or as it may direct, one-twelfth (1/12) of the assessment made pursuant to this Section 6.01. On or before the date of the annual meeting of each calendar year, the Board shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected from the owners pursuant to assessments made during each year and showing the net amount over or short of the actual expenditures, plus reserves. The Board shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association, setting forth whether the assessments on a specified Assessment Parcel have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein. The Estimated Cash Requirements for each year may not be increased without the consent of at least two-thirds (2/3) of each Class of Members at a meeting called for that purpose with at least sixty (60%) percent of Owners or their proxies present. In the event such a quorum is not present, a second meeting shall be called and the quorum shall be reduced to thirty (30%) percent of the Owners or their proxies present, provided, however, that the Board may increase the Estimated Cash Requirement each year without a vote of the Owners in the event such increase over the previous year shall not exceed the greater of (i) five (5%) percent of the previous year's Estimated Cash Requirement or (ii) the increase over the previous year in the Consumer Price Index ("Consumer Price Index" shall mean the Consumer's Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor or, if discontinued, a comparable index shall be utilized).

6.02 Extraordinary Expenditures. The Board shall build up and maintain a reasonable reserve ("Capital Reserve") for authorized capital expenditures, contingencies and replacements not originally included in the annual estimate. Extraordinary Expenditures which may become necessary during the year shall be charged first against such reserve. If such reserve proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may, at any time, levy a further assessment, which shall be divided pro-rata among the remaining installments for such fiscal year and assessed equally among the

Owners. The Board shall serve notice of further assessment on all such Owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All such Owners shall be obligated to pay the adjusted monthly amount. In the event the Board determines that there exists a surplus in the Capital Reserve, the Board shall have the authority to transfer such funds into the operating account to fund any deficit in said account.

6.03 Budget for First Year. When the first Board elected hereunder (or appointed by the Declarant or its beneficiaries) takes office, it shall determine the Estimated Cash Requirements, as herein above defined, for the period commencing on the first day of the month following the conveyance of the first Assessment Parcel and ending on December 31st of the calendar year following said conveyance. The initial Estimated Cash Requirement shall be divided among the remaining monthly installments of such calendar year and assessed equally to all owners.

6.04 Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on an Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

6.05 Books and Records. The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Area, specifying and itemizing the maintenance and repair expenses of the Common Area and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing at such reasonable time or times during normal business hours as my be requested by the Owner or his representative. Upon ten (10) days notice to the Board, any Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

6.06 Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) account of all the Owners, other than the Declarant. All funds not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

6.07 Remedies for Failure to Pay Assessments. Any assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of ten (10%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Assessment Parcel, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. To the extent permitted by any court decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fee as above provided, shall be and become a lien or charge against the Assessment Parcel of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against the real estate. Unless otherwise provided in the Declaration, the members of the Board and their successors in office, acting on behalf of the other owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Any court shall be authorized to restrain the defaulting Owner from re-acquiring his interest at such foreclosure. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage now or hereafter placed on the Assessment Parcels provided, however, that such prior recorded mortgage shall be subject to the lien of all unpaid assessments with respect to such Assessment Parcel which became due and payable subsequent to the date the holder of said mortgage takes possession of the Assessment Parcel, accepts a conveyance of any interest in the Assessment Parcel or has a receiver appointed in a suit to foreclose his lien.

6.08 Forcible Entry and Detainer. In addition to the rights and remedies set forth in Section 6.07, if any owner shall default in the payment, when same shall be due, of the aforesaid charges or assessments and said default shall continue for thirty (30) days after notice to said Owner by the Board, setting forth the amount of unpaid charges or assessments together with a demand for payment thereof, the Board shall have the right to declare said default a Forcible Detainer of the Assessment Parcel and shall have the right, on behalf of the other Owners, to enter and take possession of the Townhouse Unit from said defaulting Owner, to put out the Owner, or any Occupant claiming by, through or under the Owner, using such reasonable force as the Board shall deem necessary under circumstances and to exercise any other rights and remedies set forth in the Forcible Entry and Detainer Act, Chapter 57, Illinois Revised Statues.

6.09 Working Capital Fund. Upon the closing of the first sale of each Assessment Parcel to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to two months initial assessment. Said amount shall not be refundable to any Owner and shall be held

and used by the Association to establish operating and replacement reserves as the Board deems necessary.

ARTICLE VII

COVENANTS & RESTRICTIONS AS TO USE & OCCUPANCY

7.01 All Owners shall maintain, occupy and use their Townhouse Units and the Common Area only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Members.

7.02 The Board shall have full authority to enforce all such rules and regulations by taking all action as may be necessary.

ARTICLE VIII

COMMITTEES

8.01 Board Committees. The Board, by resolution adopted by a majority of the directors in office may designate one (1) or more committees, each of which shall consist of one (1) or more directors; said committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and the delegation thereof of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him by law.

8.02 Special Committees. Other Committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except at otherwise provided in such resolution, members of each such committee shall be Members, and the President of the Association shall appoint the members thereof. Any member thereof may be removed whenever in their judgment the best interest of the Association shall be served by such removal.

8.03 Term. Each member of the committee shall continue as such until the next annual meeting of the Board and until his successor is appointed and shall have qualified, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

8.04 Chairman. One (1) member of each committee shall be appointed Chairman.

8.05 Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

8.06 Quorum. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

8.07 Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board.

ARTICLE IX

INTERIM PROCEDURES

9.01 Until the initial meeting of the Members, the Declarant (or its beneficiaries or designee) may appoint the Board which shall have the same powers and authority as given to the Board generally.

ARTICLE X

AMENDMENTS

10.01 These Bylaws may be amended or modified from time to time in accordance with the same provisions governing amendments to the Declaration.

ARTICLE XI

INTERPRETATION

11.01 In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII

DEFINITION OF TERMS

12.01 The terms used in these Bylaws shall have the same definition as set forth in the Declaration to which these Bylaws are attached to the extent such terms are defined therein.

ARTICLE XIII

DISSOLUTION

13.01 Upon dissolution of the Association, any Association assets shall be transferred to a homeowner's association similar in nature or functions or to any appropriate public agency having similar purposes.