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DECLARATION OF PARTY WALL RIGHTS, COVENANTS,  
CONDITIONS, EASEMENTS AND RESTRICTIONS FOR  
GREENWOOD MANOR TOWNHOME ASSOCIATION

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Prepared by and return recorded document to: /

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Oak Brook, IL 60523

**DECLARATION OF PARTY WALL, RIGHTS, COVENANTS,  
CONDITIONS, EASEMENTS AND RESTRICTIONS FOR  
GREENWOOD MANOR TOWNHOME ASSOCIATION**

THIS DECLARATION of Party Wall Rights, Covenants, Conditions, Easements and Restrictions for Greenwood Manor Townhome Association (the "Declaration") made this 24<sup>th</sup> day of January, 2002, by GREENWOOD ASSOCIATES, L.P. ("Declarant"):

**RECITALS**

A. WHEREAS, Declarant is the record owner and developer of certain real estate in Park Ridge, Illinois, which is legally described in Exhibit "A" attached hereto (the "Property").

B. WHEREAS, Declarant intends to develop and improve the Property with dwellings, walkways, parking areas, and other improvements for the common use and enjoyment of the owners, occupants and invitees of said dwellings.

C. WHEREAS, Declarant intends to submit the Property to the provisions of this Declaration and to form an Illinois not-for-profit corporation known as Greenwood Manor Townhome Association, for the purpose of owning, maintaining and administering certain portions of the Property (as defined herein) and the facilities and improvements thereof, as hereinafter provided.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following party wall rights, covenants, conditions, easements and restrictions, all of which shall run with the land and be binding on all parties having or acquiring any rights, title or interest therein or any part thereof, and shall inure to the benefit of each Owner thereof.

**ARTICLE I**  
**DEFINITIONS**

The following words when used in this Declaration or in any Supplementary Declaration (as defined herein) shall, unless the context shall prohibit, have the following meanings:

1.01 Access Area. The unenclosed sidewalks and areas within any Access Easement from time to time or at any time located or constructed upon the Lots and/or Units and utilized for ingress, egress and access to, from and through the Property.

1.02 Association. Greenwood Manor Townhome Association, an Illinois not-for-profit corporation to be formed by Declarant, along with its successors and assigns.

1.03 Common Area. That portion of the Property designated on the Plat as being a part of the Common Area, and including that Common Area designated on the Plat of Survey for each townhome building lot.

1.04 Declarant. Greenwood Associates, L.P., an Illinois limited partnership.

1.05 Property. The real estate described in Exhibit "A", attached hereto.

1.06 Initial Mortgagee. A bona fide lender holding a validly-recorded mortgage or trust deed on a lot or the Common Area which mortgage or trust deed was recorded prior in time to all other mortgages or trust deeds against said lot or Common Area.

1.07 Unit. Unit shall mean a lot within the Property on which one individual Townhome may be constructed.

1.08 Owner. The record owner, whether one or more person, individuals or entitles, of a fee-simple title to any Unit, including contract sellers having such interest merely as security for the performance of an obligation.

1.09 Plat. Plat shall mean the plat of subdivision in respect to the Property recorded 02-05-02 with the Cook County Recorder of Deeds as Document No. 002049355

1.10 Turnover Date. The Turnover Date shall be mean the date on which the first of the following to occur takes place:

(a) The expiration of sixty (60) days after the sale and transfer of title by Declarant of nine (9) Units; or

(b) Declarant, by written notice to the Association, voluntarily elects to release its right to appoint all members of the Board of Directors.

**ARTICLE 2**  
**MEMBERSHIP AND BOARD OF DIRECTORS**

2.01 Membership. Every owner of a Unit shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit shall be the sole qualification for membership.

2.02 Voting Rights. The Association shall have one class of membership and each member shall have one vote for each Unit such member owns, provided that in no event shall more than one (1) vote be cast with respect to any Unit. If more than one person is the record owner of any Unit, or if an Owner is a trustee, corporation, partnership or other legal entity, the vote for such Unit shall be exercised as such Owner of that Unit shall designate. Such designation shall be made in writing

to the Board (as defined herein) or in such other manner as may be provided in the By-laws of the Association incorporated herein. Declarant shall designate the person who shall exercise the voting rights with respect to the Units owned by Declarant.

2.03 Board of Directors. The Association shall be governed by a Board of Directors (the "Board") comprised of not less than three (3) persons, duly appointed or elected as provided herein and in the By-laws; provided, however, that the number of Persons comprising the Board may be increased, in the discretion of Declarant, by written notice to the Association, provided, further, that in no event shall the number of persons comprising the Board exceed five (5). Except for directors appointed by Declarant, all directors shall be members of the Association. The Board shall govern the Association in the exercise of the rights of the Association and performance of the Association's obligations in accordance with the terms and provisions of this Declaration and the By-laws, as amended from time to time. Prior to the appointment of the first Board, the Declarant shall exercise all rights, powers and privileges and act in the capacity of the Board and may perform all its functions as set forth in this Declaration and in the By-laws.

2.04 Appointment of Directors by Declarant. Notwithstanding anything in this Declaration or the By-laws to the contrary, the first and each subsequent Board shall consist of, and vacancies on the Board shall be filled by, such persons as Declarant shall from time to time appoint, who may but need not be members of the Association prior to the Turnover Date. Without the prior written consent of Declarant, neither the Articles of Incorporation of the Association nor this Declaration nor the By-laws shall be amended, modified or changed to in any way diminish the authority of the Board while the Declarant has the right to appoint any members of the Board. Declarant may, from time to time, by written notice to the Association, elect to relinquish its right to appoint any one or more directors, and continue to exercise its right to appoint the remaining members of the Board for the period hereinabove specified. All directors not appointed by Declarant shall be elected as hereinafter provided.

2.05 Election of Directors by Members. Upon termination of Declarant's right to appoint any or all of the directors as provided in the preceding paragraph, those directors not subject to appointment by Declarant shall be elected by the members of the Association at a meeting called by the President of the Association, by Declarant, or by any three (3) members of the Association. Such meeting shall be called by notice sent in accordance with the By-laws.

2.06 Director and Officer Liability. Neither the directors nor the officers of the Association shall be personally liable to the Owners or the Association for any mistake of judgment or for any other acts or omissions of any nature whatsoever while acting in the capacity of such directors or officers, except for any acts or omissions found by a court of law to constitute gross negligence or fraud. The Association shall indemnify, defend and hold harmless the directors and officers, their heirs and legal representatives, against all contractual and other liabilities to third parties arising out of the contracts made by or other acts of the directors and officers of behalf of the Owners or the Association or arising out of their status as directors or officers, until any such contract or act shall have been found by a court of law to have been made fraudulently or with gross negligence. The

foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, attorneys fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director or officer may be involved by virtue of being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to any matter after any such person shall have finally been adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director or officer.

2.07 Governing Law. Except as otherwise provided in this Declaration, the Association, its Board, the officers and members of the Association shall be governed by the Illinois General Not For Profit Corporation Act.

**ARTICLE 3**  
**EASEMENTS AND PROPERTY RIGHTS**

3.01 Easements: Of Use and Enjoyment. Declarant hereby grants a perpetual, non-exclusive easement, over and upon the Common Area for the benefit of the Property, and every Owner shall have a right and easement, of use and enjoyment and a right of access to and of pedestrian and vehicular ingress and egress on, over, across, in, upon and to the Common Area as designated and defined on the Plat, and such right easement shall be appurtenant to and shall pass with title to every Unit, subject to the rights of Declarant reserved in this Declaration, and the rights of others granted in this Declaration and the following rights of the Association exercised in the manner provided in the By-laws:

(a) To adopt rules and regulations governing the use, operation and maintenance of the Common Area.

(b) To borrow money for the purpose of improving the Common Area and facilities located thereon and with respect to any recreational facilities comprising a part of the Common Area in aid thereof to mortgage that part of the Common Area, provided that the rights of any such mortgagee in and to the Common Area and facilities located thereon shall, in the event of default, be limited to a right, after taking possession of such properties, to charge admission and other fees for the use and enjoyment by the Owners of any recreational facilities that may be situated thereon until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Owners hereunder shall be fully restored. Notwithstanding the foregoing, no mortgage shall be placed upon the Common Area unless such mortgage is approved by the Board, by a majority of the members of the Association, other than Declarant, voting at a general or special meeting duly called and held in accordance with the By-laws, and by the First Mortgagees as provided in Section 7.01, provided that as long as Declarant owns one or more Units, Declarant's written consent to any such mortgage shall also be required.

(c) To dedicate or transfer all or any part of the common Area, or any utility system thereon, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members provided that as long as the Declarant has the power to appoint any director of the Association, such instrument must also be signed by Declarant.

(d) To pay for, out of the assessment funds, all taxes and assessments and other liens and encumbrances which shall be properly assessed or charged against the Common Area.

3.02 Easements of Access.

(a) Every Owner is hereby granted and reserved a perpetual non-exclusive easement for the purpose of reasonable ingress and egress from his Unit to, through and from all public and private ways which adjoin the Property through, over and across the Access Easement designated on the Plat or any Access Area which is or may be created on the Property, provided, however, that no Owner may remove, relocate, or cause to be removed or relocated, any portion of the Access Easement on the Plat or any other Access Area now or hereafter located upon his Unit.

(b) The Association and Declarant, and each of them, is hereby granted and reserved perpetual non-exclusive easements to, through, over and across the Property for the purposes of exercising the rights, performing the functions, and discharging the responsibilities, permitted or required to be performed or discharged by any of them pursuant to any provision of this Declaration.

3.03 Municipal Service Easements. Declarant hereby grants a perpetual non-exclusive easement to the City of Park Ridge over the Property to install, maintain, replace or repair any municipal utility and to enforce all applicable laws, ordinances and regulations and for the purpose of providing police and fire protection and such other municipal services as the Association may request and the City of Park Ridge may agree to furnish. If any non-municipally owned utility line, which is connected to a municipal utility is damaged or functioning improperly, the City of Park Ridge shall have the absolute right, after twenty-four hours' notice to the Association, to cause the repair to the utility line. Whether the utility line is damaged or functioning properly shall be the sole decision of the City. If the City performs any corrective work, it shall bill the Association for all materials and labor. The bill shall be a lien on all common areas of the Property. The lien shall be enforceable in a court of law in the same manner as any other lien.

3.04 Implied Easements. Declarant hereby acknowledges that, due to the length and complexity of this Declaration, certain omissions may have occurred in connection with the grants of various easements including, but not limited to, those for access, ingress and egress, use and enjoyment, utilities, light and air, support and maintenance. Declarant therefore hereby grants any easement omitted herein which easement is reasonably implied from and by the provisions and scheme of this Declaration and is reasonably necessary for the purpose of furthering the beneficial purposes and intentions of Declarant as expressed in this Declaration.

3.05 Encroachments. In the event that (a) by reason of design, construction, location, repair, settlement, shifting or movement, any dwelling or other improvement as originally constructed by Declarant on any Unit or upon the Common Area overhangs or otherwise encroaches or shall hereafter encroach upon any other Unit or upon the Common Area, or (b) by reason of such design, construction, location, repair, settlement, shifting or movement it shall be necessary or advantageous to an Owner to use or occupy any portion of the Common Area for any reasonable use appurtenant thereto which will not unreasonably interfere with the use or enjoyment of the Common Area by other Owners, or (c) by reason of the design or construction of utility, ventilation and exhaust systems, as originally constructed by Declarant, any mains, pipes, ducts or conduits servicing any Unit or more than one Unit, encroach or shall hereafter encroach upon any part of any Unit, or the Common Area, then, in any such case, valid easements for the maintenance of such encroachment and for such use of the Common Area, together with the right to enter upon such other Unit or Common Area to maintain, repair and replace such encroachment are hereby established and shall exist for the benefit of such Unit or the Common Area, as the case may be, so long as such dwelling or other improvement shall remain standing; provided, however, that if any such dwelling or other improvement is partially or totally destroyed and thereafter repaired or rebuilt, the same encroachment may be re-established and the easements herein granted for the maintenance, repair and replacement thereof shall continue in force; provided further that in no event shall a valid easement for any encroachment or use of the Common Area be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Common Area by other or if it occurred due to the willful conduct of any Owner. Declarant agrees to hold the City of Park Ridge harmless and indemnify it from any and all claims by any party concerning the City's approval of the Final Plat of Subdivision for Greenwood Manor Subdivision with respect to any encroachment shown on the Plat of Survey dated December 28, 2001, which survey is attached hereto and incorporated herein as Exhibit B.

3.06 Transfer of Common Area to Association. Declarant will convey to the Association and the Association shall accept the Common Area herein described and any additions thereto, together with such facilities and improvements as the Declarant may elect to install thereon and subject to such easements as the Declarant may cause to be placed thereon, and at such time or times as the Declarant shall determine, provided that all Common Area shall be conveyed to the Association by the date upon which Declarant shall cease to have the right to appoint one or more members of the Board. At the time of any such conveyance to the Association, the Association shall assume and agree to perform the obligations of Declarant and the Association under this Declaration with respect to the property so conveyed.

3.07 Agreement for Grant of Easements. In the event, at any time before or after the recording of this Declaration, Declarant shall deem it necessary to do so, Declarant may (i) reserve or grant easement for the benefit of the Property in, over, under, to and across the Property for the installation, construction and maintenance of any and all public and private utility conduits, wires, ducts, pipes, cables and other lines, and all associated equipment for the provision of utilities services for the Property, including without limitation, those for the transmission and distribution of water, electricity, gas, telephone, sewage, drainage, cable or satellite television, and (ii) dedicate

any portion of the Common Area to any public, quasi-public or private utility or to any governmental authority for the installation, construction and maintenance or any such utilities and for ingress and egress thereto. Contemporaneously with the recording of this Declaration, the Plat shall be recorded in respect to the Property, by which Plat the Declarant shall grant certain easements, including utility easements, for the benefit of the Property pursuant to its authority hereunder. In addition, for so long as Declarant owns a Unit subject to the terms hereof, Declarant shall have the right to connect all utilities serving the Property.

3.08 Rights Of Occupants. All persons who reside in a Unit shall have the same rights to use and enjoy the Common Area and all improvements situated thereon as the Owner of that Unit.

3.09 Easements to Run with the Land. All easements and rights described herein and in the Plat recorded contemporaneously herewith are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon the Declarant, its successors or assigns, and any Owner, purchaser, mortgagee or other person having an interest in the Property, or any part or portion thereof. Reference in the respective deeds of conveyance or in any mortgage or trust deed or other evidence of obligation to the easements and rights described in this Article or in any Other part of this Declaration shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees, or trustees as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

3.10 No Dedication to Public Use. Nothing contained in this Declaration or in the Plat recorded contemporaneously herewith shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Property to or for any public use or purpose whatsoever.

3.11 Certain Rights Reserved to Declarant. The right is reserved by Declarant for Declarant, or its agents, to place and maintain on the Property all models, sales offices, advertising signs and banners and lighting in connection therewith, and other promotional facilities at such locations and in such forms as shall be determined by Declarant. There is also reserved to Declarant, its agents and prospective purchasers and tenants, the right of ingress, egress and transient parking in and through the Property. Declarant also reserves the right for Declarant to maintain on the Property without charge (i) a general office for the purpose of exercising the development and management rights and (ii) appropriate permanent and transient parking facilities for the employees of Declarant and of Declarant's agents and for prospective purchasers of lots in the Property. Declarant's aforesaid reserved rights shall exist at any time Declarant is engaged in the sale or leasing of lots on the Property, and no charge shall be made with respect thereto. In connection therewith, Declarant hereby reserves for the benefit of Declarant a non-exclusive easement to, through, over and across the Property for the purpose of exercising the rights reserved to Declarant pursuant to this Declaration. Such rights of Declarant shall continue until the sale or rental of all Units located on the Property unless Declarant, by written notice to the Association, elects to terminate such rights prior to such date. All rights and easements created by this Declaration are subject and subordinate to the development rights of Declarant, whether or not inconvenience to any Owner shall result



therefrom; provided, however, that Declarant shall not exercise any of such rights in a manner so as to prevent the exercise of the rights of use and enjoyment of the Common Area.

**ARTICLE 4**  
**MAINTENANCE AND ADMINISTRATION OF THE PROPERTY**

4.01 Association's Obligations. In addition to all other rights, powers and duties or the Association under applicable law or as otherwise set forth in this Declaration and in the By-Laws of the Association, the Association shall have the following rights, powers and duties with regard to the Common Area and Units respectively, the cost and expense of which shall be paid for by the Association from assessment funds:

(a) Common Area. The Association shall maintain, repair, replace and manage the Common Area and all facilities and improvements thereon, and, without limiting the generality of the foregoing, provide for snow removal and scavenger services, maintain the underground sprinkler system, water and replace shrubs, trees and other landscaping, keep lawns mowed, maintain continuously in force comprehensive liability, hazard and other insurance required by this Declaration, maintain all underground utilities located in the Common Area serving the Property (including water pipes, sanitary and storm sewer lines, telephone and electrical cables and gas mains) to the extent that the responsibility to maintain such utilities has not been assumed by any public utility agency, private utility firm, the City of Park Ridge, or other governmental authority or agency, or any Owner, pay all taxes, fees, charges, assessments and other liens and encumbrances which are assessed to or charged against the Common Area or other property owned by the Association, pay all sums due the City of Park Ridge for the enforcement of local laws and provide such other services for the Common Area as the Board deems to be in the best interests of the Association and its members.

(b) Units. With respect to the Units and the improvements thereon, the Association shall provide for the following: provide for scavenger services; maintain any underground sprinkler system; water and replace shrubs, trees and other landscaping; keep lawns mowed (except fully enclosed rear yards which have been made inaccessible by enclosures installed on adjacent Units); maintain all underground utilities serving the Property (including water pipes, sanitary and storm sewer lines, telephone and electrical cables and gas mains) to the extent that the responsibility to maintain such utilities has not been assumed by any public utility agency, private utility firm, the City of Park Ridge, or other governmental authority or agency, or any Owner; all painting, staining, refinishing, maintenance, repair, replacement and tuckpointing of the exterior surfaces of the townhome dwellings, including, without limiting the generality of the foregoing, all roofs, sidings, outer walls, shutters, but excluding all screens, doors and glass surfaces (which shall be the Owner's responsibility, except that the Association shall paint and stain the exterior surfaces of the outer doors); maintenance, repair and replacement of private sidewalks or driveways within the Access Easement on the Plat or within any Access Area now or hereafter provided upon a Unit (including snow removal); and such other services as the Board deems to be in the best interest of the Association and its members; provided, however, that the Association's obligation under this

subparagraph with respect to private sidewalks and driveways and exterior surfaces of dwellings shall be limited to maintenance, repair and replacement due to normal wear and tear.

4.02 Owner's Obligations. Each owner, at his sole cost and expense, shall maintain, repair and replace his Unit and the improvements thereon, keeping the same sightly and in good condition and repair. Each Owner shall be responsible for the cost of maintenance, repair and replacement of such exterior surfaces, walks and landscaping on his Unit resulting from causes other than normal wear and tear including, without limitation, damage caused by acts of God or other hazards (whether or not covered by insurance) or by the negligence or willful or wanton conduct of the Owner or any other person (except that the Association shall be liable for any damage to a Unit or any improvements thereon caused by the negligence or willful, wanton or intentional arts of an employee, agent or independent contractor of the Association while acting for or on behalf of the Association). In the event any Owner shall fail to perform any of the foregoing obligations, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternate remedies, shall have the right (but not the obligation), through its employees and agents or through independent contractors upon reasonable notice or, in the case of an emergency, without notice, to enter upon any Unit and, if required, into any dwelling, to repair and maintain the Unit and the improvements situated thereon. Each Owner, by acceptance of a deed for his Unit, hereby covenants and agrees to pay the Association the cost of such repairs and maintenance, upon demand, and the Association shall have a lien upon said Unit enforceable in the manner and to the extent herein set forth in this Declaration and the failure of such Owner to pay such costs shall carry with it the same consequences as the failure to pay any assessments levied hereunder when due, as herein provided. The Association shall be responsible for and shall repair any damage caused by it in the exercise of its rights hereunder.

4.03 Maintenance of the Common Area Prior to Conveyance to Association. Notwithstanding the retention by Declarant of title to all or any portion of the Property designated as Common Area, the Association shall pay or reimburse the Declarant for all real estate taxes and all other costs and expenses arising out of or incident to the Common Area that is available for use by the Owners to the same extent as such costs and expenses would be the obligation of the Association if it were the record owner thereof.

4.04 Repair and Reconstruction. In the event of damage to or destruction of any dwelling or other improvement installed by Declarant on any Unit, the Owner or Owners from time to time of any such improvement covenant and agree that they will, within a reasonable time after such destruction, repair or rebuild the same in a substantial and workmanlike manner with materials comparable to those used in the original structure, and shall conform in all respects to the laws or ordinances regulating the construction of such structures in force at the time of such repair or reconstruction. The exterior of such structure, when rebuilt, shall be substantially the same as and of architectural design in conformance with the exterior of such structure immediately prior to such damage or destruction. If an Owner fails to make the necessary repairs or reconstruction within a reasonable time after such damage or destruction occurs, the Board may cause the same to be done and the cost thereof shall be charged to such Owner as his personal obligation and shall be a lien on his Unit.

**ARTICLE 5**  
**DAMAGE OR DESTRUCTION AND RESTORATION OF THE**  
**PROPERTY, INSURANCE AND EMINENT DOMAIN**

5.01 Damage or Destruction of the Property. In the event the Property or any part thereof (be it Townhome or Common Property) shall suffer damage or destruction from any cause and the proceeds of any policy insuring against such loss or damage and payable by reason thereof are sufficient to pay the cost of repair, restoration or reconstruction, either the proceeds of such insurance shall be applied by the Board or by the corporate trustee on behalf of the Board for the reconstruction of the Property, or shall be otherwise be disposed of, in accordance with the provisions of this Declaration. The rights of the Mortgagee of any Townhome under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions in this Declaration with respect to the application of insurance proceeds to reconstruction of the Property.

In the event that the proceeds of any policy insuring against such loss or damage and payable by reason thereof shall be insufficient to pay the cost of repair, restoration or reconstruction, or the affected Property is not insured against the peril causing the loss or damage, either:

- (a) The Board shall, subject to this Paragraph, restore or reconstruct said area using insurance proceeds and reserve funds of the Association, if any, to pay the costs thereof and if said sums are insufficient, the Board shall assess a special assessment to pay therefore as provided for herein; or
- (b) Upon the affirmative vote of seventy-five percent (75%) of the Voting Members voting at a meeting duly called for that purpose, the President of the Association shall take such other action as the Voting Members decide.

5.02 Damage or Destruction of a Townhome. Notwithstanding any provision herein to the contrary, in the event a Townhome shall suffer damage or destruction from any cause, the Owner thereof shall be obligated to reconstruct said damaged or destroyed portion. The Owner shall be entitled to offset his costs with insurance proceeds from the policies provided for in the next subparagraph. Any reconstruction shall be executed so as to restore the Townhome to the same quality, design and color as that prior to damage and consistent with the Property.

5.03 Insurance. The Board shall obtain insurance for the Common Property and the Townhomes against loss or damage by fire, debris removal, lightning, windstorm, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Property and Townhomes (except that the Board shall not be required to insure the increased value of any improvements and betterments added to the Townhome unless the board is notified in writing of the additional amount of insurance requested by the Townhome owner and that any increased cost of insurance is paid by said owner to the Board), and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the improvements

constituting the Common Property and the Townhomes, or any part thereof, to substantially the same condition in which they existed prior to the damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to the Association. All policies of insurance shall contain a waiver of any possible co-insurance penalty or an agreed amount endorsement for the blanket property limit of liability, and a waiver of any defenses based upon invalidity arising from the acts of the insured, and shall contain a waiver of subrogation rights by the insurer against individual Owners, and against the Trustee and Declarant and all employees and agents of each of them and all tenants and others holding through or under Trustee, Declarant or Owner, and shall cover claims of one or more insured parties against other insured parties. All policies of property insurance shall provide that, notwithstanding any provisions thereof which give the insurer the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Association or when in conflict with the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law. During the period while the improvements to the Property are still under construction, the above insurance requirements shall be deemed satisfied by the so-called "All-Risk Builder's Risk" on a completed value basis for the full insurable value of the improvements under construction on the Property.

The Board shall obtain comprehensive public liability insurance for no less than \$ 1,000,000.00 for bodily injury and property damage for any single occurrence, and such workmen's compensation insurance and other liability insurance as it shall deem desirable, insuring individually and severally, each Owner (as to the Common Property only), the Association, its officers, directors, and board, the trustee, the Declarant, the Managing Agent, and their respective officers, directors, employees, agents and all persons acting as agents, if any, from liability in connection with the use, management, existence and ownership of the Property and any portion of the Real Estate now or hereafter dedicated to the City or any other governmental body or agency. Each Owner shall be included as an additional insured only with respect to the Common Property and these portions of the Real Estate which are now or hereafter dedicated to the City or any other governmental body or agency. The First Mortgagee and the Declarant shall be included as additional insureds in their capacities as Owner or member of the Board. Such insurance shall also contain a waiver of subrogation rights by the insurer against any of the above-named insured persons, and a waiver of any defenses based upon invalidity arising from the acts of the insured. The Board shall retain in safe-keeping any public liability policy for the period of any applicable statute of limitations.

The Board may obtain a fidelity bond indemnifying the Association, the Board, the Owners, Trustee and the Declarant for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or the Managing Agent, or of any other person handling the funds of the Association, the Board or the Owners in such amount as the Board shall deem desirable but not less than one hundred twenty-five percent (125%) of the amount of the total annual budget. The premium for such fidelity bond shall be a Common Expense. 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 expressions.

The Board may obtain errors and omissions insurance and any other insurance as it shall deem desirable, in such amounts, from such sources and in such forms as it shall deem desirable, insuring the Common Property and each member of the Board and officer of the Association, and member of any committee appointed pursuant to the By-Laws of the Association from liability in connection with acts or omissions as a director or officer of the Association, or a member of such a committee.

The Board may obtain any other insurance reasonably required by the Veterans Administration, the Federal Housing Authority, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or any Mortgagee, in such amounts, from such sources and in such forms as it deems desirable.

All policies procured by the Board shall provide that coverage shall not be prejudiced by:

(a) Any act or neglect of the Owners when such act or neglect is not within the control of the Association; or

(b) Failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control.

The Board shall notify all insured persons concerning the cancellation of any insurance obtained pursuant to the terms of this Paragraph and naming those persons as insured thereunder.

All policies of insurance shall contain standard mortgage clause endorsements in favor of each Mortgagee as its respective interest may appear and to the extent possible shall provide that such, policies shall not be canceled, terminated or substantially modified without at least thirty (30) days prior written notice to each Mortgagee.

The premium for all insurance in connection with the Common Property shall be a Common Expense. However, at the option of the Board, and upon written notice to all Owners, premiums for insurance shall be separately billed to each Owner in proportion to his corresponding Percentage Interest in the Association; provided, however, that any insurance premiums assessed on a basis reflecting increased charges for coverage on a certain Townhome or Townhomes may, at the discretion of the Board, be assessed to such Townhome or Townhomes.

In the event of any loss suffered by the Common Property which is One Hundred Thousand Dollars (\$100,000.00) or less, the Board may engage the services of any bank or trust company authorized to do trust business in Illinois to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of this Declaration. The fees of such corporate trustee shall be a Common Expense. In the event of any loss suffered by the Common Property in excess of One Hundred Thousand Dollars (\$100,000.00) in the aggregate, the Board shall engage a corporate trustee as aforesaid.

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Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of a release of the insurance company's liability under such policy from the Board, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant thereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or to see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

Each Owner hereby waives and releases any and all claims which he may have against any other Owner, the Association, its officers, members of the Board, the First Mortgagee, the Declarant, the manager and Managing Agent of the Property, if any, and their respective directors, officers, employees, attorneys and agents, and all tenants and others holding through or under the First Mortgagee and Declarant, for damage to the Common Property, the Townhomes, or to any personal property located in the Townhomes or to any personal property located in the Townhomes or Common Property caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance; provided that this waiver and release shall be effective only if it does not affect the right of the insured under the applicable insurance policy to recover thereunder.

Each Owner shall be responsible for obtaining his own insurance on additions and improvements to the Owner's unit, decorating, furnishings and personal property therein, personal property stored elsewhere on the Property and his or her personal liability to the extent not covered by the liability insurance for all of the Owners obtained on the Common Property and Townhomes by the Board hereunder. In addition, in the event an Owner desires to insure against his personal liability and loss or damage to the Common Property by fire or other hazards above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Owners, as above provided or any other insurance, said Owner may, at his option, obtain such additional insurance. In no event shall any insurance obtained by the Board under this Paragraph be brought into contribution with insurance procured by Owners or their respective Mortgagees in respect to their Townhomes.

5.04 Eminent Domain. If the state, a political subdivision or any corporation, agency, or authority shall seek to exercise a power of eminent domain against any of the Common Property, the Board, promptly after receiving notice thereof, shall notify each Owner and each Mortgagee of said Owners. The Board shall represent the Association in any condemnation proceedings brought in whole or in part against the Common Property and may negotiate, settle, or enter into agreement with the condemning authority on behalf of the Association. Each deed, mortgage, trust deed or other instrument with respect to a Townhome and the acceptance thereof shall be deemed a grant of power to the Board as attorney-in-fact for the Owners in connection with the condemnation of the Common Property, and an acknowledgment of and consent to such power. After the appropriate compensation has been paid by such authority and such authority becomes vested with fee simple title (or such lesser estate, interest, or easement) to the Common Property or any portion thereof, the Board may authorize the President of the Association to execute and record an amendment to the Declaration for the purpose of withdrawing such portion of the Common Property from the

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provisions of the Declaration. Such amendment to the Declaration shall contain an amended legal description of the Real Estate. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of Common Property shall be allocated on the basis of each Owner's Percentage Interest in the Association and shall be paid to the Owners and their respective Mortgagees, as their percentages interests appear. If at the time of said withdrawal, Declarant or Trustee has not conveyed one or more Townhomes to an Owner for occupancy purposes, said Townhome or Townhomes shall nonetheless be included in the distribution of said proceeds as if it or they were fully constructed, conveyed and occupied.

If the state, a political subdivision, or any corporation, agency or authority shall seek to exercise a power of eminent domain against any Townhome or any portion thereof, all Owners affected shall, promptly after receiving notice thereof, notify the Association. Each Owner of a Townhome subject to the condemnation proceeding shall have the right to participate in said proceeding, and the Association shall participate in said proceeding, but the latter shall participate only to the extent portion of the Common Property is involved. After the appropriate compensation has been paid by such authority and such authority becomes vested with fee simple title (or such lesser estate, interest or casement) to such Townhome or portion thereof, the Board may authorize the President of the Association to execute and record an amendment to the Declaration for the purpose of withdrawing said property from the provisions of the Declaration. Such amendment to the Declaration shall also contain an amended legal description of the Real Estate and a reallocation of each Owner's Percentage interest in the Association, said reallocation to be on the basis of the Percentage interest of each remaining Owner (including the adjusted Percentage interest of any Owner of a Townhome partially condemned as provided hereunder). No assessment for Common Expenses attributable to the period after the recording of the amendment to the Declaration shall be required for such withdrawn Townhome or portion thereof. If only a portion of a Townhome is withdrawn, the Percentage Interest appurtenant to that Townhome, shall be reasonably determined by the Board and such new Percentage Interest shall be used in computing future assessments for Common Expenses. Any condemnation award or other proceeds received by the Association in connection with the condemnation of a Townhome or part thereof, after deducting therefrom any unpaid assessment for such Townhome, shall be distributed to the Owner or Owners whose Units were condemned, on an equitable basis, to be determined by the Board, and need not be in proportion to that Owner or Owner's Percentage Interest in the Association. Any condemnation award or other proceeds received by an Owner directly from the condemning authority shall be subject to the Association's lien for unpaid assessments against that Owner's Townhome.

## ARTICLE 6 ASSESSMENTS

6.01 Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, hereby covenants and agrees to pay to the Association, for each Unit owned by such Owner, all assessments and charges levied pursuant to this Declaration. Such assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge and a continuing lien upon the Unit against which such assessment is made. Each such assessment,

together with such interest and costs, shall also be the continuing personal obligation of the person who was the Owner of such Unit at the time when such assessment fell due.

6.02 Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety and welfare of the members of the Association and, in particular, without limiting the foregoing, for maintenance, repair, replacement, improvement and additions of and to the Common Area and the improvements thereon, for all taxes, insurance, utilities, professional and other services, materials, supplies, equipment and other costs and expenses incident to than ownership of the Common Area and all facilities and improvements thereon, for certain maintenance, repair and replacement of portions of the Units and the exterior surfaces of certain improvements thereon, as hereinabove provided, and for otherwise carrying out the duties and obligations of the Board and of the Association as stated herein and in its Articles of Incorporation and By-Laws.

6.03 Assessment Procedure - Annual Assessments. Each year (beginning the year in which the first unit is conveyed by the Declarant) on or before December 1, the Board shall prepare a budget for the Association for the ensuing calendar year which shall include estimated cash expenditures, the estimated cash income and reasonable amounts as a reserve for repairs or replacement of the improvements on the Common Area and those portions of the Units for which the Association is responsible, and for such other contingencies as the Board may deem proper, and an Estimated Yearly Assessment based thereon. On or before December 15, the Board shall notify each Owner in writing of the amount of such Estimate or Yearly Assessment, with reasonable itemization thereof. On or before January 1 of the ensuing year, each Owner, jointly and severally, shall be personally liable for and obligated to pay the Board or as it may direct, one-twelfth (1/12) of the Estimated Yearly Assessment made pursuant to this Section and, except to the extent the Estimated Yearly Assessment is adjusted under this Section, shall be personally liable for and obligated to pay one-twelfth (1/12) of the Estimated Yearly Assessment on or before the first of each succeeding month in the year. On or before April 15 of each year following the initial meeting, the Board shall supply to all Owners an itemized accounting of actual expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimate provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited to the next monthly installment due under the current year's Estimated Yearly Assessment, until exhausted, and one-third (1/3) of any net shortage shall be added to the installments due in each of the succeeding three (3) months after rendering of the account. Such adjustment shall be allocated among the Units that were subject to assessment during the prior year in the proportion that the annual assessment against each Unit during the year bears to the annual assessment against all the Units during that year.

(b) If said annual assessments prove inadequate for any reason, including non-payment of any owner's assessment, the Board may, subject to the limitations on the use of capital reserves, charge the deficiency against existing reserves, or may levy a further assessment which shall be assessed equally against all Units subject to assessment. The Board shall serve notice of such further assessment on all Owners by a statement in writing showing the amount due and reasons therefor,



and such further assessment shall become effective with the monthly installment which is due more than fifteen (15) days after delivery or mailing of such notice of further assessment. All Owners shall be personally liable for and obligated to pay their respective adjusted monthly assessment.

(c) When the first Unit is conveyed by the Declarant, the Board shall prepare a budget for the period commencing the first day of the month following said conveyance and ending on December 31 of the year in which said conveyance occurs and shall prepare Estimated Assessments for said period. Monthly assessments for this period shall be levied against all Units during said period and paid by the Owners of said Units as provided in Section 6.01 and Section 6.03 hereof, except that the monthly assessment shall be calculated by dividing the total assessment levied against the Unit by the number of complete months then remaining in the year rather than dividing the total assessment by 12.

(d) The failure or delay of the Board to prepare or serve the annual or adjusted estimate on any 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 his monthly installment at the then-existing rate established for the previous period until the monthly installment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

#### 6.04 Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of constructing or purchasing a specified capital improvement upon or to the Common Area, and for the necessary fixtures and personal property related thereto, provided that, unless otherwise provided in the By-Laws, any such assessments which in one year exceed \$1,000.00 shall first be approved by a majority of the Board and thereafter by a majority of the votes cast by members at a general or special meeting duly called for that purpose, or, in lieu of such member's meeting, by an instrument signed by the members owning two-thirds (2/3) of the Units. Special assessments levied hereunder shall be due and payable at such time or times and in such manner as shall be fixed by the Board, or, where applicable, as approved by the members and shall be used only for the specific purpose for which such assessment was levied.

6.05 Capital Reserves. To the extent the annual budget includes an amount specifically designated as a capital reserve, each Owner shall, as to each installment of the annual assessment paid by him, be deemed to have made a non-refundable capital contribution to the Association in the proportion that the amount of such designated capital reserve bears to the total annual budget. Such proportion of each annual assessment installment paid to the Association shall be segregated and maintained by it in a special capital reserve account to be used solely for making major repairs and replacements to the Common Area, to those portions of the Units and the improvements thereon which the Association is obligated to repair and replace in accordance with the provisions of this Declaration, and for the purchase of equipment to be used by the Association in connection with its

duties, hereunder.

6.06 Initial Capital Contribution. At each closing of the sale of a Unit by the Declarant after the recording of this Declaration, the Owner purchasing such Unit will be required to make a capital contribution to the Association in an amount equal to twice the monthly installment of the annual assessment for such Unit then in effect. Such payment shall be held and used by the Association as a working capital reserve and is not refundable. Additionally, on the closing of each Unit, the Owner shall pay the monthly assessment allocated to the Unit for the first full month following the closing, as well as the prorated monthly assessment allocated to the Unit for the month of closing.

6.07 Notice and Quorum. Written notice of any meeting called for the purpose of authorizing special assessments which require approval of the members shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of such meeting. At the first such meeting called, the presence of voting members, in person or by proxy, having sixty percent (60%) of the votes entitled to be cast shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6.08 Uniform Assessments. Both annual and special assessments, as more specifically described in Paragraphs 6.03 and 6.04 herein, must be fixed as a uniform rate for all Units.

6.09 Commencement of Annual Assessments. Annual assessments shall not commence until the conveyance of the first Unit by Declarant after the recording of this Declaration. Prior thereto, no assessments shall be levied or shall be due. Prior to the time any annual assessments commence, the Declarant shall be responsible for paying any expenses incurred in respect to the Property.

6.10 Collection of Assessments. Any installment of an assessment which is not paid when due shall be delinquent. If said installment is not paid within thirty (30) days after the due date, the Board may, upon notice to such owner of such delinquency, accelerate the maturity of all remaining installments due with respect to the current assessment year, and the total amount shall become immediately due and payable and commence to bear interest from the date of acceleration at the rate of nine percent (9%) per annum. The Association may bring an action against the Owner personally obligated to pay assessments and recover the same, including interest, costs and reasonable attorneys' fees for any such action, which shall be added to the amount of such assessment and included in any judgment rendered in any such action. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and any such accelerated installments, together with interest, costs and attorneys' fees as above provided, shall be and become a lien or charge against the delinquent Owner's Unit when payable and may be foreclosed by any action brought in the name of the Association.

6.11 No Waiver of Liability. No Owner may waive or otherwise escape liability for assessments provided for herein by any act or omission including, without limitation, non-use of the services provided by the Association, the Common Area or abandonment of his Unit.

6.12 Subordination of the Lien or Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage placed at any time on a Unit by a bona fide lender. Each holder of a mortgage on a Unit who obtains title, or comes into possession of that Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, will take the Unit free of any claims for unpaid assessments or charges which have accrued prior to such acquisition of title or possession.

## ARTICLE 7 RIGHTS OF MORTGAGEES

In addition to all other rights of first mortgagees pursuant to this Declaration, and notwithstanding any other provisions herein to the contrary:

7.01 Right of Approval. Unless at least 75 % of the first mortgagees (based upon one vote for each Unit encumbered by a mortgage) of individual Units ("First Mortgagees") have given their prior written approval, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements for the benefit of the Units and the Owners. (The granting of easements for public utilities or for other purposes consistent with the intended use of such property by the Association shall not, for purposes of the foregoing, be deemed to be a transfer.)

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Unit and the Owner thereof as provided in Article 6, subject, however, to the provisions in Section 6.03 hereof.

(c) By act or omission waive, abandon or materially change any scheme or regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of any dwelling or garage on a Unit, the exterior maintenance of any such dwelling or garage, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and planting on the Property.

7.02 Examination of Books and Records. First Mortgagees shall have the right to examine the books and records of the Association at reasonable times during normal business hours.

7.03 Option to Pay Taxes, Insurance Premiums. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and may or have 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 policy for the Common Area and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

7.04 Notice of Default. Any First Mortgagee, at its written request, shall be entitled to written notice from the Board of any default by an Owner in the performance of such Owner's obligations hereunder or under the By-Laws or rules and regulations of the Association which has not been cured within thirty (30) days.

7.05 Amendment. This Article 7 may be amended only with the written consent of 75% of the First Mortgagees (based upon one vote for each Unit encumbered by a mortgage.)

**ARTICLE 8**  
**COVENANTS AND RESTRICTIONS**  
**AS TO USE AND OCCUPANCY**

The Units and Common Area shall be occupied and used only as follows:

8.01 Residential Use. The Property shall be used for residential purposes only. No multiple family dwelling (as that term is defined by the Park Ridge Zoning Ordinance) of any kind whatsoever shall be erected or maintained on the land except that no more than nine (9) attached dwellings (townhouses) may be erected provided that the underlying land has been rezoned prior to construction to R-3 by the City of Park Ridge.

8.02 Parking. The outdoor parking areas shall be used for the parking of passenger vehicles (automobiles, light utility trucks, minivans, pickup trucks), subject to such rules and regulations as the Board may prescribe. No boats, trailers, commercial trucks larger than a standard pickup truck, motorcycles, motor scooters or other vehicles or property of any kind shall be parked or stored thereon unless permitted by such rules and regulations. Every Owner, occupant and other person shall be responsible for his personal property located or kept in the outdoor parking areas. Neither the Board nor the Association shall be considered the bailee of any such personal property nor shall either be responsible for any loss or damage thereto, whether or not due to the negligence of the Board and/or the Association.

8.03 Obstructions. There shall be no obstruction of the Common Area, nor shall ready access to any Unit be obstructed or impeded in any manner.

8.04 Waste. No Owner shall permit anything to be done or kept on his Unit or in the Common Area which will increase the rate charged for or cause the cancellation of insurance carried by the Association on any Common Area improvements or contents thereof, or which would be in violation of any law, nor shall any waste be committed on any Unit or in the Common Area.

8.05 Window Accessories. The covering of windows and other glass surfaces, whether by shades, draperies or other items visible from the exterior of any dwelling, including canopies or awnings and antenna, shall be subject to the rules and regulations of the Board.

8.06 Animals. No animals of any kind shall be raised, bred or kept on any Unit or Common Area, except that dogs, cats, or other customary household pets may kept subject to rules and

regulations by the Board, provided they are not kept, bred or maintained for any commercial purposes; and provided, further, that any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon ten (10) days' written notice from the Board. All pets shall be kept on a leash when not in Owner's Unit and the Owners shall be responsible to clean up after their pets.

8.07 Noxious Activities. No noxious or offensive activity shall be conducted on any Unit or in the Common Area nor shall anything be done therein or thereon, either willfully or negligently, which may be or become an annoyance or a nuisance to other Owners or occupants.

8.08 Conduct of Business. No industry, business, trade, occupation or profession of any kind, commercial, religious, education or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted on any Unit or Common Area; provided, however, that nothing herein shall preclude an Owner from (i) maintaining a personal professional library in his Unit; (ii) keeping his personal business records or accounts on his Unit; or (iii) handling his personal, business or professional calls or correspondence therefrom.

8.09 Signs. No signs (including without limitation "For Sale" or "For Rent" signs), advertising or other displays shall be maintained or permitted on any part of the Property, except at such location and in such form as the Board may, in its sole discretion, approve. Notwithstanding the foregoing, the right is reserved by Declarant or its agents to place and maintain on the Common Area or any Unit it owns, as long as Declarant is engaged in sales or leasing activities in connection with the Property, sales models, a sales or leasing office, advertising signs or banners and lighting in connection therewith, at such locations and in such forms as the Declarant shall determine. Declarant hereby grants to itself, its agents and prospective purchasers and lessees, the right of ingress and egress in and through the Common Area and Access Area, for or incident to such sales or leasing purposes and, during construction of the Townhome Units, the right of ingress and egress in and through the Common Area in connection with such construction. The provisions of this paragraph shall inure to the benefit of any assignee of Declarant.

8.10 Alterations. Except as constructed or altered by or with the permission of the Declarant, nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Board.

## ARTICLE 9 PARTY WALLS

9.01 Applicable Law. Each wall which is built as a part of the original construction of the dwellings upon the Property and placed on the dividing line between the Units and/or serves two or more dwellings shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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9.02 Cost of Repair, Maintenance and Replacement. The cost of reasonable repair, maintenance and replacement of a party wall shall be shared equally by the Owners who make use of the wall, except that the entire cost of repairing damage caused by negligence or willful act or omission of one Owner shall be paid by such Owner.

9.03 Damage of Destruction. If a party wall is destroyed or damaged by fire or other casualty, any Owner whose Unit is served by such wall may restore it, and the other Owners who shared the use of such wall shall promptly contribute to the cost of restoration thereof equally without prejudice to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

9.04 Exposure to Elements. Notwithstanding any other provisions of this Article, an Owner who by negligence or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

9.05 Right of Contribution. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

## **ARTICLE 10** **ARCHITECTURAL CONTROL**

10.01 General Review and Approval. No building, utility or storage shed, garage, pool, jacuzzi, whirlpool, playhouse, sandbox, swing set, children's activity center, stable, fence, wall, deck, porch, antenna, satellite dish, awning or other structure shall be constructed, erected or maintained upon the Property or upon any Unit, dwelling or other improvement thereon, nor shall any exterior change or alteration be made, except such as are erected or approved by the Declarant, until written plans and specifications showing the nature, kind, shape, height, materials, color scheme and location of the same and the approximate cost thereof shall have been submitted to and approved in writing by the Board or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board or its designated committee fail to approve or disapprove such design and location within ninety (90) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

10.02 Television Antenna. Notwithstanding the provisions of the Section immediately preceding, no outdoor television antenna or satellite dish, radio masts, poles, aerials, solar heating electrical panels or skylights shall be affixed to or placed upon the exterior walls or roof of any dwelling or other improvement on a Unit or upon any other portion of a Unit, or on any portion of the Common Area, without the prior written consent of the Board and the Declarant; provided that an outdoor television antenna and other components of a community antenna television service system may be affixed to or placed upon any Unit or improvement thereon and upon the Common Area only with the written consent of the Declarant and no Board or other consent shall be required or be effective.

10.03 Fences. Declarant may install fences at any time prior to the first meeting following the Turnover Date. No fences or other enclosures of the lots may be installed upon or erected on the property by the Unit Owners.

**ARTICLE 11**  
**SALE OR LEASE OF UNITS**

11.01 Sale Or Lease:

(a) Sale or Assignment Requirements: Any Unit Owner other than the Declarant who wishes to sell or assign his unit ownership shall give notice to the Board not less than thirty (30) days prior written notice of his intent to sell or assign and, subsequently, the terms of any contract to sell or assign together with a copy of such contract or assignment, the name, address, and financial and character references of the proposed purchaser or assignee, and such other information concerning the proposed purchaser or assignee as the Board may reasonably require. The members of the Board acting on behalf of the other unit owners shall at all times have the first right and option to purchase or receive the assignment such unit ownership upon the same terms, which option shall be exercisable for a period of thirty (30) days following the date of receipt of such notice of contract or assignment. If such option is not exercised by the Board within thirty (30) days, the unit owner may at the expiration of said thirty (30) day period and at any time within ninety (90) days after the expiration of said period, proceed to consummate the sale or assignment of such unit ownership to the proposed purchaser or assignee named in such notice upon the terms specified therein. If the unit owner or lessee fails to close said proposed sale or assignment transaction within said ninety (90) days, the unit ownership shall again become the subject of the Board's right of first refusal as herein provided.

b) Restrictions on Leasing of Units:

(i) The unit owner shall occupy and use such unit as a private dwelling for himself and his immediate family only, and for no other purposes. The leasing of units, or any part thereof, to third parties, for any business, investment or speculative purpose, is not permitted.

(ii) If a unit owner, due to any justifiable undue hardship, including medical and health problems, shall be unable to occupy his unit for a period in excess of six (6) months, and based on such hardship, desires to lease said unit, then the unit owner may apply to the Board of Directors for permission to lease the unit. The Board may, in such case, by majority vote, grant to the unit owner permission to lease the unit. No lease shall be for a period of more than one year, provide for occupancy of the leased unit by more than four (4) persons, or provide for an automatic renewal.

(iii) Any lease agreement between an owner and a lessee shall be in writing and shall provide that the terms of such lease are subject to, and lessee shall comply with the provisions of this Declaration and the Articles of Incorporation, By-laws, and Rules and Regulations of the Association and that failure by lessee to comply with the terms of such documents, rules and regulations shall be default under said lease and a violation of this Declaration. The Board of Directors must be

furnished a copy of any such lease before the transaction is consummated pursuant to the terms of this Article 11.

(iv) The Board of Managers may proceed directly against a tenant at law or in equity, or under provisions of Article IX of the Code of Civil Procedures, for any breach by tenant of any covenant, rules, regulations or By-laws as set forth herein. All remedies set forth in Article IX of the Code of Civil Procedures shall be available to the Association and against the unit owner and the unit owner's lessee in the event of any violation of this Article or of the By-laws, Declaration, Articles of Incorporation, Rules and Regulations.

(v) In the event a Unit Owner intends to lease his garage space only, said garage space shall be leased for automobile storage purposes only and said garage space can only be leased to another unit owner. In the event that an owner intends to lease his unit, the garage shall be included as part of the unit being leased.

**ARTICLE 12**  
**REMEDIES**

12.01 In-General. In the event of any default or violation of the provisions of this Declaration or the By- Laws or Rules and Regulations of the Board or Association by any Owner (either by his own conduct or by any other occupant of his Townhome), the Association, its successors or assigns, the Board, or its agents, shall have each and all of the rights and remedies which may be available at law or in equity, and may prosecute an action or other proceeding against such defaulting owner, occupancy and/or others:

- (a) For enforcement or foreclosure of any liens and the appointment of a receiver for the Townhome, and ownership interest of such owner, without notice and without regard to the value of such Townhome, the ownership interest, of the solvency of such owner;
- (b) For damages;
- (c) For an injunction or specific performance;
- (d) For the right to take possession of the Townhome, rent the Townhome, and apply the rents received to payment of unpaid assessments and interest accrued thereon;
- (e) To sell the Townhome at a judicial sale, as hereinafter provided; or
- (f) For any combination of the above or for any other relief.

Any owner aggrieved by any violation by the Association, Board or any other owner or occupant of the provisions of this Declaration or the By-laws or the Rules and Regulations of the Board or Association shall have the right, by any proceedings available at law or in equity, of recovery of damages or for injunctive relief, or both.



12.02 Association Self-Help. In the event of any default or violation by any owner set forth in this Declaration, the Association, the Board and the Managing Agent and their successors and assigns, if so authorized by the Board, shall have the authority to enter upon that part of the property where such violation or breach exists to enforce the terms of this Declaration and expenses incurred by the Association in connection with enforcing this Declaration shall be charged to and assessed against such defaulting owner and shall be added to and deemed part of his respective portion of the common expenses and the Association shall have a first lien of all of the same upon the defaulting owner's Townhome together with any refrigerator, stove, or other appliance or personal property which was sold along with the Townhome by the Declarant; provided, however, that such lien shall be subordinate to the lien of all mortgagees and such lien shall be subordinate to all other liens of prior recorded encumbrances, except for the amount of the proportionate share of said common expenses which becomes due and payable from and after the date on which said Mortgagee or other encumbrance owner or holder either takes possession of the Townhome, accepts a conveyance or any interest therein (other than as a security) or causes a receiver to be appointed. Said actions of the Association, the Board, the Managing Agent or their successors and assigns shall not constitute a trespass.

12.03 Injunctive Relief. In the event of any default or violation by any owner or occupant set forth in paragraph hereof, and if such default or violation shall continue for ten (10) days after notice to the owner or occupant in writing from the Board, provided no notice shall be required or period for cure allowed if a notice has been issued to said owner or occupant or against said Townhome in the one (1) year period immediately preceding the default or violation, then the Board shall have the power to file an action against the defaulting owner or occupant for a judgment or injunction, requiring the defaulting owner or occupant to comply with the provisions of this Declaration and the By-laws and the Rules and Regulations adopted by the Board or the Association, and granting other appropriate relief, including money damages.

12.04 Legal Provisions. The Association shall have the right to receive all reasonable attorneys' fees and costs in defending or prosecuting each and every provision of this Declaration and the By-laws of any action brought by, through or caused by the acts of any owner.

12.05 Involuntary Sales. In the event the Association has the right to foreclose a lien on a Townhome by reason of any default or violation by any owner, the Association and the Board shall have the power to sell the Townhome at a judicial sale, following a foreclosure of such lien in like manner as in the case of foreclosure of a mortgage against real property. The proceeds of any judicial sale shall first be paid to discharge court costs, court reporter charges, title charges, reasonable attorneys' fees and costs and all other expenses of the proceedings and sale, and all such items shall be taxed against the defaulting owner in a final judgment. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the owner. Upon the confirmation of such sale and the expiration of any applicable redemption periods, the purchaser shall thereupon be entitled to a deed to the Townhome and to immediate possession of the Townhome sold, any may apply to the court for a writ of assistance for the purpose of acquiring such possession. It shall be a condition of any such sale, and the judgment shall so provide, that the purchaser shall take the interest in the property sold subject to this Declaration. All

expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and all other expenses of the proceeding and sale, and all damages liquidated or otherwise, together with interest thereon at nine percent (9%) per annum until paid, shall be charged to and assessed against such defaulting owner, and shall be added to and deemed part of the common expenses owed by that owner, and the Association shall have a first lien for all of the same, as well as for nonpayment of his respective share of the common expenses, upon the Townhome and upon all of his additions and improvements thereto and any refrigerator, stove or other appliance or personal property which was sold along with the Townhome by Declarant; provided, however, that such lien shall be subordinate to the lien of a mortgagee and such lien shall be subordinate to all other liens of prior recorded encumbrances, except for the amount of the proportionate share of such common expenses which become due and payable from and after the date on which the said encumbrance owner or holder either takes possession of the Townhome, accepts a conveyance of any interest therein (other than as a security) or causes a receiver to be appointed.

12.06 Forcible Entry and Detainer. In addition to the above remedies, the Association shall have available all the rights and remedies contained in Article IX of the Illinois Code of Civil Procedure (Forcible Entry and Detainer) that apply to Associations of Common Interest Communities.

12.07 Cumulative Rights: No Waiver of Rights. Any and all rights and remedies provided for in this paragraph may be exercised at any time and from time to time by the Association or Board to enforce any of the covenants, conditions or restrictions set forth herein and shall not be deemed to be a waiver of said covenants, conditions or restrictions.

### **ARTICLE 13** **GENERAL PROVISIONS**

13.01 Management and Other Contracts. The Declarant hereby reserves the right, from time to time, for and on behalf of the Association to engage a manager for the Association and its property during all or any portion of the period Declarant has the right to appoint directors to the Board. Thereafter, the Board may engage the services of an agent to manage the property to the extent deemed advisable by the Board. Any management agreement shall be terminable by either party for cause upon thirty (30) days written notice, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one year periods. Any other contract providing for services by the Declarant must provide for termination on ninety (90) days written notice and be for a maximum contract term of three years.

13.02 Enforcement. In addition to all other rights herein granted to the Association, the Association may enforce the provisions of this Declaration and the Articles of Incorporation, By-laws and Rules and Regulations of the Association by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provisions. All rights and remedies may be exercised at any time and from time to time, cumulatively, or otherwise, and failure of the Association to enforce any such provisions shall in no way be deemed a waiver of the right to do so

thereafter. All expenses incurred by the Association in connection with any such proceedings, including court costs and attorneys' fees, together with interest thereon at nine percent (9%) per annum, shall be charged to and assessed against any owner violating any such provisions and shall be added to and deemed a part of his assessment and constitute a lien on his Unit and be enforceable as provided in Article 6 and Article 12.

13.03 Severability. If any term, restriction or covenant of this instrument is deemed illegal or unenforceable, all other terms, restrictions or covenants and the application thereof shall remain unaffected to the extent permitted by law.

13.04 Title in Land Trust. In the event title to any Unit is conveyed to a 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 beneficiary or 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 Unit. No claim 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 property 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 Unit and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such unit.

13.05 Amendment. Except as provided herein, the provisions of this Declaration may be amended by an instrument executed by Owners of not less than seventy-five percent (75%) of the Units then subject to the provisions of this Declaration except that: (i) prior to the first meeting following the Turnover Date, no amendment shall be effective without the written consent of Declarant, and (ii) no provision which affects or relates to the rights, privileges or interest of the Declarant may be amended without its written consent. Notwithstanding the foregoing, Declarant reserves the right from time to time as long as it owns a Unit subject to the terms hereof, to amend this Declaration in such manner as may be necessary to correct clerical errors in this Declaration, the Plat or any Exhibits hereto or as may be required by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, 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 organizations, or any institutional lender issuing a commitment to make first mortgage loans covering twenty percent (20%) or more of the Units located in the Property or any portion of the additional property; provided that no such amendment by Declarant shall reduce the rights of any mortgagee with respect to any first mortgage on a Unit recorded prior to such amendment, without such first mortgagee's written consent. Further, notwithstanding the foregoing, until Declarant ceases to have the right to appoint one or more members of the Board, Declarant shall have the right to modify or amend this Declaration so long as such modifications and amendments shall not materially impair the rights of Owners. In furtherance of the foregoing reservation by Declarant, a power coupled with an interest is hereby granted to the Declarant, as attorney-in-fact, to so amend

this Declaration and each deed, mortgage or other instrument with respect to a Unit and the acceptance thereof shall be deemed a grant and acknowledgment of and consent to such power to each of said attorneys-in-fact and shall be deemed to reserve to each of them the power to execute and record such amendments. No amendment shall be effective until recorded in the Office of the Recorder of Deeds of Cook County, Illinois.

13.06 Notices. Any notice required or desired to be given under the provisions of this Declaration to any Owner shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, directed to the person who appears as the Owner at his last known address, as shown in the records of the Association at the time of such mailing.

13.07 Binding Effect. The easements created by this Declaration shall be of perpetual duration. 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 or the owner of any Unit subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the Owners of not less than seventy-five percent (75%) of the Units has been recorded, agreeing to amend said covenants and restrictions in whole or in part.

13.08 Successors and Predecessors of Declarant. No party exercising rights as Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

13.09 Successors and Assigns. This Declaration shall inure to the benefit of and be binding upon the successors and permitted assigns of Declarant and all persons which may have or hereafter obtain any interest in the Property.

13.10 Counterparts. This Declaration may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall be deemed to be an original.

**ARTICLE 14**  
**BY-LAWS**

The provisions of Articles 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 29 shall constitute the By-Laws of THE ASSOCIATION.

**ARTICLE 15**  
**NAME OF CORPORATION**

The name of this corporation is the GREENWOOD MANOR TOWNHOME ASSOCIATION (the "Association").

**ARTICLE 16**  
**DEFINITIONS**

All terms used herein shall have the meanings set forth in the Declaration including, without limitation:

16.01 Definition. The definitions of Article I of the Declaration shall have the same meaning when used in these By-laws.

16.02 Board. The Board of Directors of the Association.

16.03 Member. Every owner of a Unit.

**ARTICLE 17**  
**PURPOSES AND POWERS**

17.01 Purposes. The purposes of this Association are to perform all the obligations of the Association as set forth in the Declaration, including without limitation, owning, maintaining and administering the Common Area and the facilities and improvements thereon and those portions of the Units as designated therein; to promote the health, safety and welfare, and the common use and enjoyment thereof by its Members; and to exercise all the rights and powers granted the Association in the Declaration, all on a not-for-profit basis, subject to and in accordance with the terms and provisions of the Declaration.

17.02 Powers. The Association shall have and exercise all powers as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois, the Declaration and these By-Laws.

**ARTICLE 18**  
**OFFICES**

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

**ARTICLE 19**  
**MEMBERSHIP AND VOTING RIGHTS**

19.01 Membership. Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit shall be the sole qualification for membership.

19.02 Voting Rights. The Association shall have one class of membership and each Member shall have one vote for each Unit such member owns, provided that in no event more than one (1) vote be cast with respect to any Unit. The person entitled to vote with respect to each Unit is hereinafter referred to as the Voting Member. If more than one person is the record owner of any Unit, or if an Owner is a trustee, corporation, partnership or other legal entity, the vote for such Unit shall be exercised as such Owner or Owners of that Unit shall designate in writing to the Board, except that Declarant shall designate who shall exercise the voting rights with respect to Units owned by Declarant. Such designation shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any Owner of that Unit or by written notice of revocation to the Board by any such owner. In the absence of such written designation, the vote for any Unit may be exercised at any meeting of Members as the owner or Owners of that Unit present at such meeting shall agree; provided, however, if all Owners of a Unit cannot agree as to how their vote shall be exercised, no vote shall be cast with respect to that Unit.

19.03 Annual Meeting. The initial meeting of Members shall be held upon thirty (30) days' written notice given by the Declarant, the President of the Association or any three (3) members after the Turnover Date. Thereafter, there shall be an annual meeting of the Members on the same day of the same month of each succeeding year, at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the Members not less than twenty (20) days prior to the date fixed for said meeting.

19.04 Special Meetings. Special meetings of the members may be called at any time by the President of the Association, by the Board of Directors or, after the Turnover Date, upon written request of Voting Members having twenty-five percent (25%) of the total votes.

19.05 Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered either personally or by mail to each Owner not less than five (5) days nor more than forty (40) days before the day of such meeting. Said notice shall be given by or at the direction of the President, Secretary or persons calling the meeting. In case of a special meeting or when required by statute or these By-Laws, the purpose for which the meeting is called shall be stated in the notice. Notices of the meetings shall be in writing addressed to the owner at the address furnished by him to the Association for the purpose of service of notices or if not such address has been furnished, to the Unit owned by such owner. Notices addressed as above shall be deemed delivered two (2) days after being deposited in the United States mail, postage prepaid so addressed, one (1) day after deposited with an overnight mail service, so addressed, postage paid or when personally delivered to that address.

19.06 Place of Meetings. All meetings of Members shall be held at such place in Cook County, Illinois as determined by the Board.

19.07 Quorum. The presence at any meeting, in person and by proxy, of Owners having fifty percent (50%) of the total votes shall constitute a quorum for any action to be taken by the Members except as may otherwise be provided in the Declaration or in these By-Laws. Unless

otherwise expressly provided in the Declaration or in these By-Laws, any action that may be taken by the Members may be taken at any meeting at which a quorum is present upon the affirmative vote of a majority of the Voting Members present at such meeting. If a quorum is not present at any meeting, a majority of the Voting Members present may adjourn the meeting at any time, without further notice. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of Voting Members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

19.08 Proxies. At all meetings of Members, a Voting Member may vote either in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically be void upon termination by the Member of his interest in his Unit.

## **ARTICLE 20** **BOARD OF DIRECTORS**

20.01 In General. The affairs of the Association shall be managed by the Board which, except as provided in Section 20.02 hereof, shall consist of not less than three (3) persons; provided, however, that the number of persons comprising the Board may be increased, in the discretion of Declarant, by written notice to the Association at the time provided, further, that in no event shall the number of persons comprising the Board exceed five (5). All directors elected by the Members shall be Members of the Association.

20.02 Appointment of Directors By Declarant. Anything herein to the contrary notwithstanding, as provided in the Declaration, until the initial meeting of Members has been held following the Turnover Date, the Board shall consist of, and vacancies on the Board shall be filled by, such persons, not less than three (3), as Declarant shall from time to time, appoint. Prior to the Turnover Date, Declarant may, from time to time, by written notice to the Association, elect to relinquish its right to appoint any one or more directors, and continue to exercise its right to appoint the remaining directors.

20.03 Election of Directors. At the initial meeting of Members after the Turnover Date the Voting Members shall elect the number of directors then in effect.

20.04 Annual Meetings. The Board shall hold an annual meeting of the Board within ten (10) days after each annual meeting of the Members, at such time and place as shall be fixed by the directors at the annual meeting of Members and no further notice to the directors of their annual meeting shall be necessary.

20.05 Regular Meetings. In addition to its annual meeting, regular meetings of the Board shall be held at such time and place as a majority of the Board shall by resolution determine, provided that there shall be not less than one regular meeting each calendar quarter. Notice of such regular meetings of the Board shall be given to each director personally, by mail, by facsimile or by telephone at least five (5) days prior to the meeting.

20.06 Special Meetings. Special meetings of the Board may be called by the President or a majority of the directors. The person or persons authorized to call such special meetings of the Board may fix the place within Cook County or DuPage County, Illinois, for holding any special meeting of the Board called by them.

20.07 Notice of Special Meetings. Notice of any special meeting of the Board shall be given at least three (3) days prior to any such meeting by written notice delivered personally or by mail to each director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered two (2) days after deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid or one (1) day after deposited with an overnight mail service in a sealed envelope so addressed with postage thereon prepaid.

20.08 Waiver of Notice: Contents of Notice. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting unless specifically required by law or by these By-Laws.

20.09 Informal Action. Any action required to or which may be taken at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all directors entitled to vote with respect to the subject matter thereof. Any such signed consent shall have the same effect as a unanimous vote of the directors.

20.10 Quorum. A majority of the directors serving from time to time on the Board shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board, provided that if less than a quorum is present a majority of the directors present may adjourn the meeting from time to time without further notice.

20.11 Manner of Acting. Except as otherwise expressly provided by law or by the Declaration of these By-Laws, any action of the directors may be taken upon the affirmative vote of a majority of the directors at which a quorum is present.

20.12 Compensation: Reimbursement for Expenses. Directors shall receive no compensation for their services, absent a vote of the majority of the voting members, but shall be reimbursed for reasonable out-of-pocket expenses incurred in the course of the performance of his duties upon presentation of receipts or other appropriate evidence of such expense.

20.13 Removal or Resignation of Director . Any director elected by the Members may be removed from office, with or without cause, by the affirmative vote or at least two-thirds (2/3) of the Voting Members at any annual meeting or at a special meeting called for such purpose. Any director may resign at any time by submitting his written resignation to the Board. If a director elected by the members ceases to be a Member of the Association, he shall be deemed to have resigned as of the date of his membership ceased. A successor to fill the unexpired term of a director



elected by the Members who resigns or is removed may be elected by the Voting Members at any annual meeting or at any special meeting called for such purpose and any successor so elected shall serve the balance of his predecessor's term.

**ARTICLE 21**  
**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

21.01 The Board shall maintain and administer the Common Area and those portions of the Units as provided in the Declaration, and have all the powers and duties granted and imposed upon it by the Illinois General Not-For-Profit Corporation Act, the Declaration and these By-Laws, including, without limiting the foregoing, the following:

(a) By vote of a majority of the Board members in office, and without approval of any of the Voting Members except as hereinafter set forth, to adopt and publish reasonable rules and regulations governing the use, operation and maintenance of the Property, and as otherwise authorized by the Declaration, and to amend or modify any existing rules and regulations. Written notice of such rules and regulations and of any amendments or modifications thereof shall be given to all Owners. If, within thirty (30) days from the date of such written notice to the Owners of the adoption of any such rule and regulation, or any such rule and regulation, or any amendment or modification thereof, the Voting Members having at least one-fourth (1/4) of the total votes shall file with the Board a written objection thereof, then such rule and regulation shall be deemed rescinded until approved by the Voting Members having at least two-thirds (2/3) of the total votes, provided, however, that the provisions of this sentence shall not apply, and no consent of any Voting Members shall be required with respect to any rules or regulations, or any amendments or modifications thereof adopted by the Board prior to the Turnover Date.

(b) To cause the annual budget to be prepared, each owner to be notified of the annual and any special assessments against his Unit and to collect the same all in accordance with and as more fully set forth in the Declaration.

(c) To formulate policies for the administration, management, maintenance, improvement and operation of the Property.

(d) To provide for the designation, hiring and removal of employees and other personnel, including lawyers, engineers, architects and accountants, and to engage or contract for services to the Property.

(e) To procure and maintain such fire and extended coverage, public liability, workmen's compensation, fidelity, directors' and officers' liability and other insurance in such amounts and insuring against such risks as the Board deems desirable.

(f) Subject to the provisions of the Declaration, to engage the services of a professional manager for the Association and the Property, and such other personnel and services, including accountants and attorneys, as the Board may, in its discretion, deem appropriate.

(g) To provide for the maintenance, repair, replacements, improvements and additions of and to the Common Area and the facilities and improvements thereon, and to the extent set forth in the Declaration, the Units and improvements thereon.

(h) To pay all taxes and other costs and expenses incident to the ownership of the Common Area and all facilities and improvements thereon.

(i) To cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate.

(j) To cause to be executed and delivered, in the name and on behalf of the Association, such agreements in favor of mortgagees of Units or others as may be required to qualify said mortgages in accordance with the requirements of Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such organizations, or any institutional lender issuing a commitment to make first mortgage loans covering twenty percent (20%) or more the Units located in the Property or any portion of the Additional Property.

(k) To exercise all other rights, powers, duties and authority vested in or delegated to the Board or the Association by the Illinois Not-For-Profit Corporation Act, the Declaration, or these By-Laws, not expressly reserved to the Members.

**ARTICLE 22**  
**OFFICERS**

22.01 Officers. The officers of the Association shall be a President, a Secretary, a Treasurer, and such other officers as the Board may deem appropriate. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

22.02 Vacancy of Office. Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

22.03 Powers of Officers. The respective officers of the Association shall have such powers and duties as are usually vested in such office of a not-for-profit corporation, including but not limited to the following:

(a) The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Members and of the Board;

(b) The Secretary shall keep minutes of all meetings of the Members and of the Board and shall have custody of the Association Seal, and such other books, papers and documents as the Board may prescribe;

(c) The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association books of account kept for such purpose.

22.04 Officer's Compensation. The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Board.

### ARTICLE 23 COMMITTEES

23.01 Board Committees. The Board, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two 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 the extent delegated by the Board to relieve the Board, or any individual directors, of any responsibility imposed upon it or him law.

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

23.03 Chairman. One member of each committee shall be appointed Chairman.

23.04 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.

23.05 Quorum. Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum.

23.06 Rules. Each committee may adopt rules for its own government not inconsistent with the Declaration, these By-Laws or with rules adopted by the Board.

### ARTICLE 24 CONTRACTS, CHECKS, DEPOSITS AND FUNDS

24.01 Contracts. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such

authority may be general or confined to specific instances.

24.02 Payments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

24.03 Bank Accounts. All funds of the Association 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.

24.04 Special Receipts. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

**ARTICLE 25**  
**FISCAL MANAGEMENT**

25.01 Fiscal Year. The fiscal year of the Association shall begin on the first day of January each year, except that the first fiscal year shall begin at the date of incorporation, and shall end on the last day of December of each year.

25.02 Financial Statements. On or before April 15 of each year following the initial meeting of Members, the Association shall furnish its Members with a statement of the income and disbursements of the Association for such fiscal year and such other information set forth in the Declaration. As provided in the Declaration, an annual budget shall be adopted and communicated to the Members by December 15 of the prior year.

25.03 Annual Assessments. The Board in its sole discretion shall determine the monthly assessments subject to the terms, conditions and limitations set forth in the Declaration.

25.04 Special Assessments. Special assessments may be authorized pursuant to the terms set forth in the Declaration.

**ARTICLE 26**  
**BOOKS AND RECORDS**

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Members. All books and records of the Association may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE 27

SEAL

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Association.

ARTICLE 28

WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the General Not-For-Profit Corporation Act of Illinois, the provisions of these By-Laws or the Declaration, a waiver in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 29

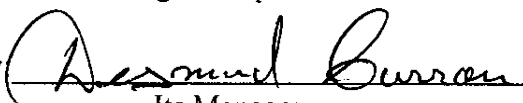
AMENDMENTS

The By-Laws may be amended or modified at any time or from time to time at any meeting of the Board, by a majority of the directors then serving on the Board, provided that (i) no amendments affecting the rights granted by these By-Laws to Declarant shall be effective unless consented to in writing by the Declarant; (ii) no provision of these By-Laws shall conflict with the Declaration; and (iii) no amendment shall diminish the authority of the Board while Declarant has the right to appoint any members of the Board.

Signed as of the day and year first above written

GREENWOOD ASSOCIATES, L.P.,

By: Greenwood Associates, L.L.C.,  
its sole general partner

By:   
Its Manager

STATE OF ILLINOIS )  
 )SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the County and State aforesaid Do Hereby Certify that DESMOND CURRAN, the Manager of Greenwood Associates, L.L.C., the sole general partner of Greenwood Associates, L.P., personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his free and voluntary act, and as the free and voluntary act of said L.L.C. and L.P., for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 24<sup>th</sup> day of January, 2002.

Diane S. Bender  
Notary Public

Commission Expires: November 22, 2002



Property of Cook County Clerk's Office

CONSENT OF MORTGAGEE

HINSBROOK BANK, holder of a mortgage on the Property dated 6-5-01, and recorded 6-19-01, as Document No. 105 37840, and a mortgage on the Property dated 6-5-01, and recorded 6-19-01, as Document No. 105 37840, hereby consents to the execution and recording of the forgoing Townhome Declaration and agrees that said mortgage is subject to the provisions of said Declaration.

IN WITNESS WHEREOF, the said HINSBROOK BANK has caused this instrument to be signed by its duly authorized officers on its behalf, all done at Willowbrook, Illinois on this 24<sup>th</sup> day of January, 2002.

HINSBROOK BANK

By: Regina Miller, SVP.

ATTEST:

Judith Harney

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

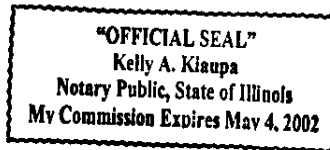
I, the undersigned, a Notary public in and for the County and State aforesaid Do Hereby Certify that REGINA MILLER, \_\_\_\_\_ and \_\_\_\_\_, respectively, of HINSBROOK BANK, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such \_\_\_\_\_ and \_\_\_\_\_, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 24TH day of JANUARY, 2002.

Kelly A. Kiaupa  
Notary Public

Commission Expires:

5-4-02



# UNOFFICIAL COPY

20149356

## EXHIBIT "A"

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 AND OUTLOTS A AND B IN GREENWOOD MANOR SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED WITH THE COOK COUNTY RECORDER OF DEEDS ON 02 : 05 - 02, AS DOCUMENT NUMBER 0020149355, IN COOK COUNTY ILLINOIS.

PINs:                   09-26-117-040  
                              09-26-117-047

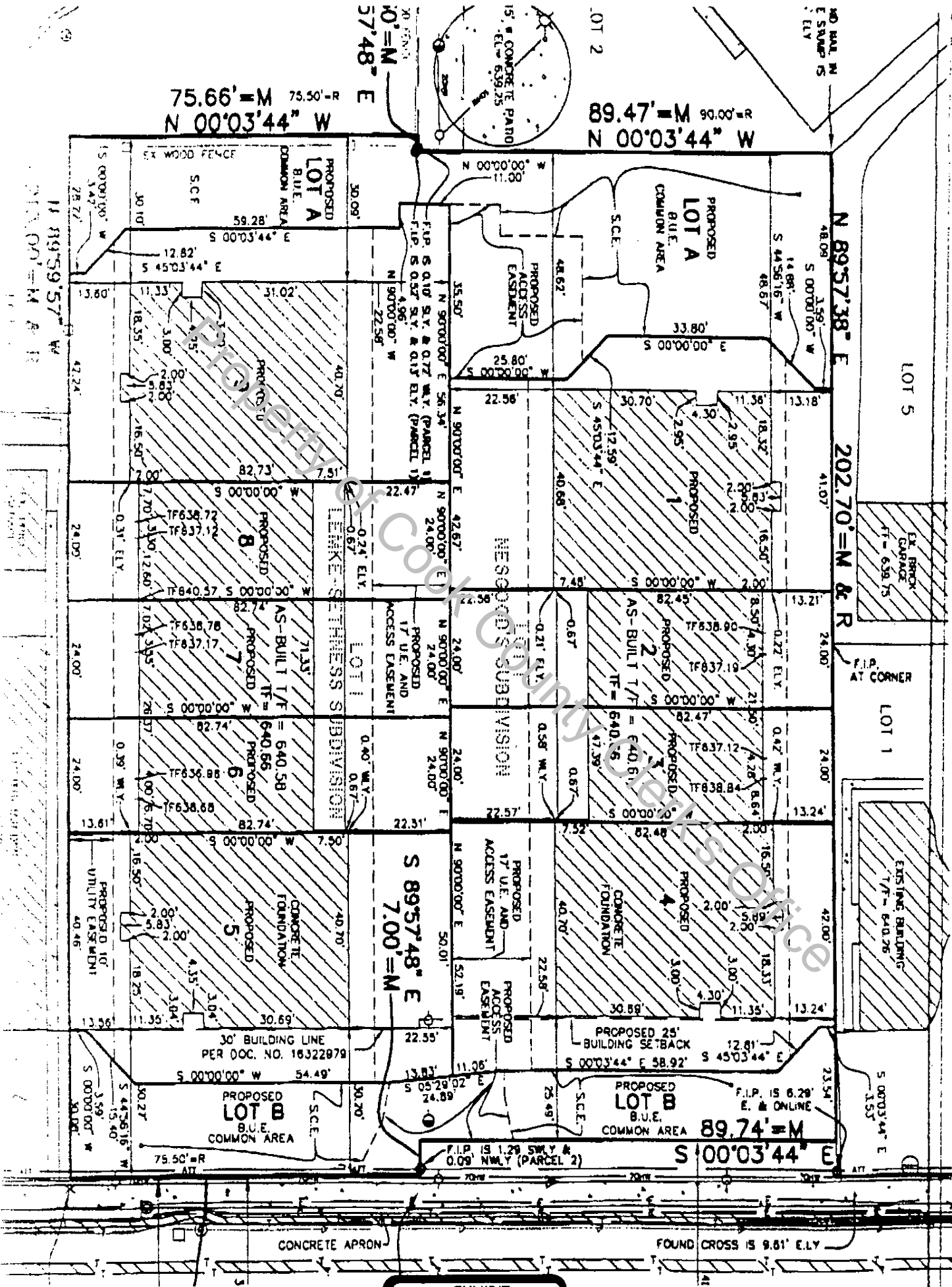
Street Addresses:   722 A-D N. Northwest Highway, Park Ridge, Illinois 60068;  
                              724 A-E N. Northwest Highway, Park Ridge, Illinois 60068

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20140316



75.66' = M 75.50' = R  
N 00°03'44" W

89.47' = M 90.00' = R  
N 00°03'44" W

57'48" E

NO. 1011 N  
E. 58'00" IS  
E.L.Y.

N 89°57'38" E  
48.09' S 00°00'00" W

202.70' = M & R  
41.07'

F.I.P. AT CORNER

24.00'

24.00'

42.00'

13.24'

23.54'

5 00°03'44" E

89.74' = M  
S 00°03'44" E

PROPOSED LOT B  
B.U.E.  
COMMON AREA

PROPOSED LOT B  
B.U.E.  
COMMON AREA

CONCRETE APRON

FOUND CROSS IS 9.81' E.L.Y.

EXHIBIT

B

Blumberg No. 0110