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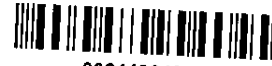
ELEVENTH AMENDMENT TO THE DECLARATION OF CONDOMINIUM OWNERSHIP AND BY-LAWS, EASEMENTS, RESTRICTIONS AND COVENANTS FOR ARLINGTON GROVE TOWNHOUSE CONDOMINIUMS RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS AS DOCUMENT NO. 89444544

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Cook County Recorder 130.50



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COOK COUNTY
RECORDER

EUGENE "GENE" MOORE

ROLLING MEADOWS

This Eleventh Amendment to the Declaration of Condominium Ownership and By-Laws, Easements, Restrictions and Covenants for Arlington Grove Townhouse Condominiums is made and entered into this 18th day of November, 2002 by Unit Owners having at least 75% of the total vote and is an amendment to that certain Declaration of Condominium Ownership and By-Laws, Easements, Restrictions and Covenants for Arlington Grove Townhouse Condominiums recorded in the office of the Recorder of Deeds of Cook County, Illinois on September 20, 1989 as Document No. 89444544 (hereinafter referred to as "Declaration").

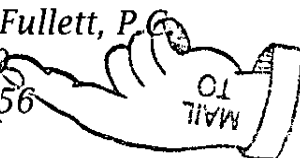
WITNESSETH:

WHEREAS, the Declaration has submitted certain real property to the provisions of the Illinois Condominium Property Act (the "Act"), said Condominium being known as the Arlington Grove Townhouse Condominiums (the "Condominium"), which Condominium is legally described in Exhibit "A" (incorporated herein and attached hereto); and

WHEREAS, the Arlington Grove Condominium Homeowners' Association is an Illinois not-for-profit corporation (hereinafter referred to as "Association") and administers the property as set forth and described in the Declaration and By-Laws; and

THIS DOCUMENT PREPARED BY AND UPON RECORDING MAIL TO:

Charles T. VanderVennet
Fosco, VanderVennet & Fullett, P.C.
350 W. Kensington #120
Mount Prospect, IL 60056



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WHEREAS, pursuant to Article XVI, Section 14 of the Declaration, the Declaration of Condominium Ownership and of Easements, Restrictions and Covenants may be amended by an instrument in writing signed and acknowledged by the Board and signed by unit owners having at least 75% of the total vote by a written instrument containing an affidavit by an officer of the Board of Managers certifying that a copy of the amendment has been mailed by certified mail to all mortgagees having a bona fide lien of record against any unit; and

WHEREAS, this instrument has been adopted by the unit owners as required:

NOW, THEREFORE, the Association hereby declares that the Declaration be and hereby is amended as follows:

1. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article I, Section (f) and said paragraph is deleted in its entirety and replaced with:

"(f) Common Elements: All portions of the Property except the Units, including, without limiting the generality of the foregoing, the Parcel, all buildings and structural components thereof including the roof, all water and sewer systems serving more than one unit, all structural parts of the improvements on the Parcel, wherever located, driveways, decks or balconies and paved street areas (other than those dedicated to the Village of Arlington Heights) and the Limited Common Elements."

2. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article I, Section (x) and said paragraph is deleted in its entirety and replaced with:

"(x) Limited Common Elements: The portion of the Common Elements so designated in the Declaration as being reserved for the use of a certain Unit or Units to the exclusion of other Units, including, but not limited to, the decks or balconies.

3. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article II and said article is deleted in its entirety and replaced with:

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ARTICLE II UNITS

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1. Description and Ownership. (a) All Units in the Building located on the Parcel are delineated on the Plat attached hereto and incorporated herein by reference as Exhibit "A" and are legally described as Units:

2141 -- Building 100	2131 -- Building 200	2121 -- Building 300
2143 -- Building 100	2133 -- Building 200	2123 -- Building 300
2145 -- Building 100	2135 -- Building 200	2125 -- Building 300
2147 -- Building 100	2137 -- Building 200	2127 -- Building 300

2103 -- Building 400	2053 -- Building 500	2052 -- Building 600
2107 -- Building 400	2057 -- Building 500	2056 -- Building 600
2111 -- Building 400	2061 -- Building 500	2060 -- Building 600
2115 -- Building 400	2065 -- Building 500	2064 -- Building 600

2072 -- Building 700	2108 -- Building 800
2076 -- Building 700	2112 -- Building 800
2080 -- Building 700	2116 -- Building 800
2084 -- Building 700	2120 -- Building 800
	2124 -- Building 800

inclusive, in Arlington Grove Townhouse Condominiums as delineated on the Plat of the real estate described in Exhibit "B".

(b) Each Unit is identified on the Plat by a distinguishing number or other symbol. The legal description of each Unit shall refer to such identifying number or symbol. Each Unit consists of the space enclosed or bounded by the horizontal and vertical planes set forth in the delineation thereof in Exhibit "A". The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown in Exhibit "A". Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit "A" and every such description shall be deemed good and sufficient for all purposes.

(c) Subject to the provisions of Article II, Section 3, set forth below, all space and other improvements within the boundaries of a Unit shall be deemed a part of that Unit.

(d) Except as provided by the Act, no Unit Owner shall deed, plat or otherwise subdivide or in any other manner cause his Unit to be separated into

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any tracts or parcels different from the whole Unit as shown on Exhibit "A".

2. Walls, Floors and Ceilings. To the extent that perimeter and partition walls, floor and ceilings are designated as the boundaries of the Units or of any specified Unit, all decorating, wall and floor coverings, paneling, molding, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof shall be deemed a part of such Units, while all other portions of such walls, floors or ceilings and all portions of perimeter doors and all portions of windows in perimeter walls shall be deemed part of the Common Elements.

3. Apparatus. If any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns or any other apparatus lies partially within and partially outside of the designated Unit boundaries, any portions thereof serving only that Unit shall be deemed a part of that Unit, while any portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements."

4. **The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article III, Section 3 and said section is deleted in its entirety and replaced with:**

"3. Limited Common Elements. (a) Except as otherwise provided in this Declaration, the Limited Common Elements shall be those portions of the Common Elements so designated in the Declaration as being reserved for the use of a certain Unit or Units to the exclusion of other Units, including, but not limited to, the decks or balconies.

(b) Any shutters, awnings, window boxes, doorsteps, porches, decks or balconies, perimeter doors, windows in perimeter walls, garage doors and any other apparatus designed to serve a single Unit shall be deemed a Limited Common Element appertaining to that Unit exclusively."

5. **The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article IV, Sections 5, 6 and 7 and said sections are deleted in their entirety and replaced with:**

"5. Dedication to Public Body. Upon approval by at least 66 2/3 percent of the Unit Owners at a meeting of Unit Owners duly called for that purpose, portions of the Common Elements may be dedicated to a public body for purposes of streets or utilities provided that no offer to dedicate all or portions of the Common Elements to any public body agency, authority or

utility for public use shall be effective until said offer of dedication has been approved by the corporate authorities of said agency in accordance with applicable law.

6. Cable Television Easement. Upon approval by more than 50 percent of the Unit Owners at a meeting of Unit Owners duly called for that purpose, an easement may be granted for cable television."

7. Non-Interference. No Unit Owner may take any action which would interfere with the ability of the Association to repair, replace or maintain the Common Elements as provided herein."

6. **The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article V and said article is deleted in its entirety and replaced with:**

"
ARTICLE V
MAINTENANCE, ALTERATIONS AND DECORATING

1. Maintenance, Repairs and Replacements. (a) Unit. Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit. Each Unit Owner shall keep his own Unit in good condition, repair, clean and free of rubbish or other hazards to persons using such areas, in compliance with the requirements of the ordinances of general applicability of the Village of Arlington Heights or other applicable ordinances, statutes and laws which govern and control the maintenance of private property.

(b) Failure to Maintain or Repair Unit. Whenever the Board shall determine, in its discretion, that any maintenance or repair of any Unit is necessary to protect the Common Elements or any other portion of the Property, the Board may cause a written notice of the necessity for such maintenance or repair to be served upon such Unit Owner, which notice may be served by delivering a copy thereof to any occupant of such Unit or by mailing the notice by certified or registered mail addressed to the Unit Owner at the Unit. If such Unit Owner fails or refuses to perform any such maintenance or repair within a reasonable time stated in the notice (or any extension thereof approved by the Board), the Board may cause such maintenance and repair to be performed at the expense of such Unit Owner.

(c) Common Elements. Maintenance, repairs and replacements of the Common Elements, including the Limited Common Elements, shall be furnished by the Board as part of the Common Expenses, subject to the

provisions of the Declaration, By-Laws and rules and regulations as may be established by the Board.

2. Liens. (a) Partial Release. In the event any lien against two or more units and the indebtedness secured by such lien is due and payable, the Unit Owner of any such Unit so affected may remove such Unit and the undivided interest in the Common Elements appertaining thereto from such lien by payment of the proportional amount of such indebtedness attributable to such Unit. In the event such lien exists against the Units or against the Property, the amount of such proportional payment shall be computed on the basis of the percentage set forth in the Declaration. Upon payment as herein provided, it is the duty of the encumbrancer to execute and deliver to the Unit Owner a release of such Unit and the undivided interest in the Common Elements appertaining thereto from such lien.

(b) Proportional Liability. The Unit Owner of such Unit shall not be liable for any claims, damages or judgments entered as a result of any action or inaction of the Board of Managers other than for mechanics' liens as hereinafter set forth. Each Unit Owner's liability for any judgment entered against the Board of Managers, if any, shall be limited to his proportionate share of the indebtedness as set forth herein, whether collection is sought through assessment or otherwise. A Unit Owner shall be liable for any claim, damage or judgment entered as a result of the use or operation of his Unit or caused by his own conduct.

(c) Discharge of Mechanics' Liens. The Board may cause to be discharged any mechanics' lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or Common Elements, rather than against a particular Unit and its corresponding percentage of ownership in the Common Elements. When less than all of the Unit Owners are responsible for the existence of any such lien, the Unit Owner or Unit Owners responsible shall be liable or jointly and severally liable for the amount necessary to discharge the lien and for all costs and expenses (including reasonable attorneys' fees) incurred by reason of such lien.

(d) Unit Owner Responsibility. If, due to the act or neglect of a Unit Owner or of a member of his family or pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage is caused to the Common Elements or to a Unit or Units owned by others or maintenance, repairs or replacements are required which otherwise would be at the common expense, then such Unit Owner shall pay for such damage and such maintenance, repair and replacements as may be determined by the Board to the extent not covered by insurance.

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(e) Assessment of Expenses. The Board shall have exclusive authority to take or refrain from taking any action pursuant to this Article V. All expenses which are chargeable to any Unit Owner pursuant to this Article V may be assessed specifically to such Unit Owner and shall be payable by and collectible from such Unit Owner as prescribed by the Board and in the same manner as assessments.

3. Limited Common Elements. Any charge or expense in connection with expenditures for the Limited Common Elements may be assessed only against that Unit to which such Limited Common Elements are assigned.

4. Alterations, Additions or Improvements. (a) Exterior Alterations. No alterations of the exterior of any building or any additions or improvements thereto shall be made by any Unit Owner without the prior written approval of the Board.

(b) Interior Alterations. Any Unit Owner may make alterations, additions and improvements within his Unit without the approval of the Board.

(c) Structural Integrity. Nothing shall be done within any Unit or in or on the Common Elements which would impair the structural integrity of the Building or cause damage to the Common Elements or any Unit or Units.

(d) Planned Unit Development Compliance. The Development is designed as a Planned Unit Development pursuant to the ordinances of the Village of Arlington Heights. Therefore, in addition to compliance with the terms set forth in this Declaration, no alterations, additions or improvements shall be made to any building, structure or other improvements unless the same shall first be approved by the Village of Arlington Heights if such approval is required by ordinance.

5. Decorating. (a) Unit. Each Unit Owner shall furnish and be responsible for, at his own expense, all of the decorating within his own Unit, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating.

(b) Common Elements. Decorating of the Common Elements (other than the interior surfaces within the Units as otherwise provided in the Declaration) and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements by the Board, shall be furnished by the Board as part of the Common Expense.

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(c) Decks or Balconies. No Unit Owner shall decorate, fence, enclose, landscape, adorn or alter his deck or balcony in any manner contrary to such rules and regulations as may be established by the Board or unless he shall obtain the prior written consent of the Board.

(d) Landscaping Areas. Upon application from a Unit Owner to use a portion of the Common Elements, the Board may establish a specific landscaping or gardening area along the sidewalks within the Property subject to rules and regulations as may be established by the Board or subject to conditions which may include (i) an acknowledgment from the Unit Owner that any planting would be at the Unit Owner's risk with no liability on the part of the Association for any damage to the planted material; (ii) a requirement for a hold harmless or waiver agreement to be submitted prior to planting protecting the Association from any damages sustained or costs incurred as a result of the planting; (iii) retention by the Association of the ultimate authority to determine whether a landscaped area should remain as an approved specific landscaping or gardening area; (iv) Unit Owner responsibility for the cost to return the area to its original condition as may be determined by the Board; and (v) a prohibition against removal of any live vegetation or the addition of any trees, shrubs or bushes without the prior written consent of the Board.

(e) Drainage. In no event shall any Unit Owner do anything to alter the drainage patterns on the Property."

7. **The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article VI, Sections 2, 4, 5, 11 and 15 and said sections are deleted in their entirety and replaced with:**

"3. Prohibited Uses. (a) Waste. No waste shall be committed in the Common Elements.

(b) Disturbance. No Unit Owner shall operate any machines, appliance, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others.

4. Unit Owner Insurance. As more fully set forth in Article IX, Section 7 and rules adopted by the Board, each Unit Owner at his own expense shall obtain insurance on personal property contained within the Unit or stored elsewhere on the Property, personal liability insurance and his own insurance on additions, alterations or improvements made to his Unit, on his personal property in his Unit, on his personal property stored elsewhere on the Property and on his personal liability to the extent not covered by the liability insurance

for all Unit Owners obtained by the Board as provided in the Declaration.

5. Exterior Attachments. Unit Owners shall not cause or permit anything to be placed on the outside walls of the Building. No sign, awning, canopy, shutter or antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof without the prior written consent of the Board. No television antenna or satellite dish may be installed by a Unit Owner except in accordance with rules and regulations as may be established by the Board; provided, further, that any such installation may be located only on the Unit Owner's exclusive-use area, generally identified as the deck or balcony adjacent to the Unit.

11. "For Sale" and "For Rent" Signs. No "For Sale" or "For Rent" signs, advertising or other displays shall be maintained or permitted on any part of the Property except at such locations and in such form and at such times as shall be reasonably determined by the Board and in accordance to rules and regulations as may be established by the Board of Managers.

15. Exceptions. The Unit restrictions set forth in Sections 1 and 10 of this Article VI shall not be construed in such a manner as to prohibit a Unit Owner from (a) maintaining his professional library in his Unit; (b) keeping his personal business records or professional records or accounts in his Unit; or (c) handling his personal business or professional telephone calls or correspondence from his Unit. Such uses expressly are declared customarily incident to the principal residential use and not in violation of Sections 1 and 10 of this Article VI."

8. **The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article VIII, Section 1 and said section is deleted in its entirety and replaced with:**

"1. Common Expenses. (a) Obligation to Pay. Each Unit Owner shall pay his proportionate share of the Common Expenses of administration, maintenance and repair of the Common Elements and of any other expenses incurred in conformance with the Declaration and By-Laws or otherwise lawfully agreed upon. Such proportionate share shall be in the same ratio as the Unit Owner's percentage of ownership in the Common Elements. Payment thereof shall be in such amounts and at such times as determined in the manner provided in the By-Laws.

(b) Use of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein and (except for such separate assessments as may be levied hereunder against less than all of the Unit

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Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit "C".

(c) Non-Payment. If any Unit Owner shall fail or refuse to make any such payment of the Common Expenses when due, the amount thereof shall constitute a lien on the interest of such Unit Owner in the Property as provided in the Illinois Condominium Property Act.

(d) Collection of Assessments. If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for fifteen days, the Board may bring suit for and on behalf of themselves and as representatives of all Unit Owners to enforce collection thereof or to foreclose the lien therefor as hereinafter provided and there shall be added to the amount due the costs of said suit and other fees and expenses together with interest and reasonable attorneys fees to be fixed by the court. 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 interest, costs and fees as above provided shall be and become a lien or charge against the Unit of the Unit Owner when payable and may be foreclosed by an action brought as in the case of foreclosure of liens against real estate. Said lien shall take effect and be in force when and as provided in the Illinois Condominium Property Act; provided, however, that encumbrances owned or held by any bank, insurance company or savings and loan association shall be subject as to priority after written notice to said encumbrancer of unpaid common expenses only to the lien of all common expenses on the encumbered Unit which become due and payable subsequent to the date said encumbrancer either takes possession of the Unit, accepts a conveyance of any interest in the Unit or has a receiver appointed in a suit to foreclose his lien. Any encumbrancer may from time to time request in writing a written statement from the Board setting forth the unpaid common expenses with respect to the Unit covered by such encumbrance and, unless the request shall be complied with within twenty days, all unpaid common expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrance.

(e) No Waiver. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Unit."

9. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article IX and said article is deleted in its entirety and replaced with:

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ARTICLE IX
INSURANCE

1. Association Insurance. The Board shall have the authority to and shall obtain insurance for the Association as follows:

(a) Property Insurance. The Association shall obtain and maintain property insurance

(i) on the Common Elements and the Units, including the Limited Common Elements, the bare walls, floors and ceilings of the Unit,

(ii) providing coverage for special form causes of loss; and

(iii) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements at the time the insurance is purchased and at each renewal date.

(b) General Liability Insurance. The Association shall obtain and maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the property in a minimum amount of \$1,000,000 or a greater amount deemed sufficient in the judgment of the Board, insuring the Board, the Association, the management agent and their respective employees and agents and all persons acting as agents. The Unit Owners must be included as additional insured parties but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance must cover claims of one or more insured parties against other insured parties.

(c) Fidelity Bond.

(i) The Association shall obtain and maintain a fidelity bond covering persons, including the managing agent and its employees, who control or disburse funds of the Association for the maximum amount of coverage available to protect funds in the custody or control of the Association, plus the Association reserve fund.

(ii) All management companies hired or retained by the Association that are responsible for the funds held or administered by the Association must be covered by a fidelity bond for the maximum amount of coverage available to protect those funds.

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(iii) The Association is granted standing to make a loss claim against the bond of the managing agent as a party covered under the bond.

(iv) For purposes of this Section 1(c), the fidelity bond must be in the amount of 150% of the Association funds and reserves in the custody of the Association or the management company. Further, the bond must provide that it may not be canceled for non-payment of any premiums or otherwise substantially modified without thirty days' prior written notice to all holders of first mortgages of record.

(d) Directors and Officers Coverage. The Board shall obtain and maintain directors and officers liability coverage at a level deemed reasonable by the Board. Directors and officers liability coverage must extend to all contracts and other actions taken by the Board members in their official capacity as directors and officers, but this coverage shall exclude actions for which the Board members are not entitled to indemnification under the General Not For Profit Corporation Act of 1986 or the Declaration and By-Laws of the Association.

(e) Other Coverage.

(i) The Association shall obtain and maintain:

(A) Umbrella Liability Insurance in excess of the required General Liability Insurance in an amount deemed sufficient in the judgment of the Board; and

(B) Worker's Compensation and Employer Liability Insurance (minimum coverage amount of \$100,000) as necessary to comply with applicable laws, including Voluntary Compensation to cover employees not covered under the Illinois statute for benefits.

(ii) The Association may obtain and maintain such other insurance, including Errors and Omissions coverage for the Board members, employment practices, environmental hazards, plate glass and equipment breakdown coverage, medical payments coverage for members of the public (not Unit Owners) injured on the Property without regard to liability of the Board or the Association as the Board considers appropriate to protect the Association, the Unit Owners or officers, directors or agents of the Association.

2. Coverage Requirements; Improvements and Betterments. The insurance maintained pursuant to Section 1(a) must include the Units, the Limited Common Elements (except as otherwise determined by the Board) and the Common Elements. The insurance shall not cover improvements and

betterments to the Units installed by Unit Owners. Common elements include fixtures located within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed by the developer. Common Elements exclude floor, wall and ceiling coverings. "Improvements and betterments" means all decorating, fixtures and furnishings installed or added to and located within the boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters or built-in cabinets installed by Unit Owners.

3. Deductibles.

(a) The Board may, in the case of a claim for damage to a Unit or the Common Elements:

(i) pay the deductible amount as a common expense;

(ii) after notice and an opportunity for a hearing, assess the deductible amount against the Unit Owner(s) who caused the damage or from whose Unit(s) the damage or cause of loss originated; or

(iii) require the Unit Owners of the Units affected to pay the deductible amount.

(b) The Board shall have the right to select substantial deductibles to the insurance coverages required or permitted under this Article IX if the economic savings justifies the additional risk and if permitted by law. The deductibles shall be on a per occurrence basis irrespective of the number of insureds suffering injury or damage.

4. Insured Parties; Waiver of Subrogation. Insurance policies maintained pursuant to Sections 1(a) and 1(b) must include each of the following provisions:

(a) Each Unit Owner and secured party is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements or membership in the Association.

(b) The insured waives its right to subrogation under the policy against any Unit Owner of the condominium or members of the Unit Owner's household against the Association and Board members.

(c) The Unit Owner waives his or her right to subrogation under the Association policy against the Association and the Board.

5. Primary Insurance. If at the time of a loss under a policy maintained by the Association hereunder there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the Association's policy shall be the primary insurance.

6. Adjustment of Losses; Distribution of Proceeds.

(a) Any loss covered by the property policy under Section 1(a) must be adjusted by and with the Association. The insurance proceeds for that loss must be payable to the Association or to an insurance trustee designated by the Association for that purpose. The insurance trustee or the Association must hold any insurance proceeds in trust for Unit Owners and secured parties as their interest may appear. The proceeds must be disbursed first for the repair or restoration of the damaged Common Elements, the bare walls, ceilings and floors of the Units and then to any improvements and betterments the Association may insure. Unit Owners are not entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Association has been terminated as trustee.

(b) Insurance proceeds for any loss shall be paid and applied as follows:

(i) In the case of any one loss of \$50,000 or less in the aggregate (and larger amounts if the Board does not engage an Insurance Trustee), the proceeds shall be paid to the Association as trustee for each of the Unit Owners. The insurance proceeds, less the actual costs, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be applied to the payment of the cost of restoring the Property to substantially the same condition as it existed immediately prior to such damage or destruction with each Unit and the Common Elements having the same boundaries as before, free from vendor's, mechanic's, materialman's and other similar liens; and

(ii) In the case of any one loss exceeding \$50,000 in the aggregate, the Board may engage the services of a bank or trust company authorized to do, execute and accept trusts in Illinois to act as Insurance Trustee and, in that event, the proceeds shall be paid to any such Insurance Trustee appointed by the Board for the purpose of collecting and disbursing the proceeds. Such proceeds, less the actual costs, fees and expenses, if any, incurred in connection with the adjustment of the loss and the fees of the Insurance Trustee, shall be applied by the Insurance Trustee to the payment of the cost of restoring the property to substantially the same condition as it existed immediately prior to such damage or destruction, with each Unit and the Common Elements having the same boundaries as before. Such proceeds shall be paid by the Insurance Trustee to or for the account of the Association, from

time to time as work progresses, in such manner as shall be required to facilitate the restoration of the property. The Association and the Insurance Trustee may, prior or subsequent to any such loss, enter into an insurance trust agreement with respect to the collection and disbursement by the Insurance Trustee of the insurance proceeds.

7. Mandatory Unit Owner Coverage.

(a) Each Unit Owner shall be responsible for physical damage insurance on the personal property in his Unit and elsewhere on the Property and any improvements and betterments (as defined above) to his or her Unit and his or her personal liability to the extent not covered by the policies of liability insurance obtained by the Board for the benefit of all of the Unit Owners and for his or her additional living expense.

(b) The Board may by rule, require the Unit Owners to obtain insurance covering their personal liability and compensatory (but not consequential) damages to another Unit caused by the negligence of the Unit Owner or his or her guests, residents or invitees or, regardless of any negligence originating from the Unit. The personal liability of a Unit Owner or Association member must include the deductible of the Unit Owner whose Unit was damaged, any damage not covered by insurance required by this Article IX as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment and other furnishings. If the Unit Owner does not purchase or produce evidence of insurance required by the Board, the Board may purchase the insurance coverage and charge the premium cost back to the Unit Owner. In no event is the Board liable to any person either with regard to its decision not to purchase the insurance or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

8. Certificates of Insurance: Contractors. Contractors and vendors (except public utilities) doing business with the Association under contracts exceeding \$10,000 per year must provide certificates of insurance naming the Association, its Board and its managing agent as additional insured parties.

9. Settlement of Claims. Any insurer defending a liability claim against the Association must notify the Association of the terms of the settlement no less than ten days before settling the claim. The Association may not veto the settlement unless otherwise provided by contract or statute.

10. Appraisal. The full, insurable replacement cost of the Property, including the Units and Common Elements, shall be determined from time to time at intervals determined by the Board. The Board shall have the authority to obtain an appraisal by a reputable appraiser or appraisal company as

selected by the Board. The insurance policy or policies shall be endorsed with an agreed amount clause. The cost of all appraisals for insurance purposes shall be at Common Expense.

11. Waiver. Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner or Owners, the Association, its officers, members of the Board or the Manager and managing agent of the Property, if any, and their respective employees and agents for damage to the Common Elements, the Units or to any personal property located in the Units or Common Elements caused by fire or other casualty to the extent that such damage is covered by fire or other forms of casualty insurance.

10. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article X and said article is deleted in its entirety and replaced with:

“ ARTICLE X
SALE, LEASE OR OTHER ALIENATION

1. Obligations. If a sale, lease, devise or gift of any Unit is made by a Unit Owner, the purchaser, lessee, devisee or donee thereunder shall be bound by and be subject to all of the obligations of such Unit Owner with respect to such Unit as provided in the Declaration, By-Laws and Rules and Regulations. Any Unit Owner making any such lease shall not be relieved thereby from any such obligations and specifically shall be subject to the provisions of Article XV of the By-Laws.

2. Sale or Lease. (a) Sale. Any Unit Owner who wishes to sell his Unit shall give to the Board not less than thirty days' prior written notice of the terms of any contemplated sale, together with the name, address, and other relevant information concerning the proposed purchaser 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 such Unit upon the same terms, which option shall be exercisable for a period of thirty days following the date of receipt of such notice. If said option is not exercised by the Board within said thirty days, the Unit Owner may, at the expiration of said thirty-day period and at any time within ninety days after the expiration of said period, sell such Unit to the proposed purchaser named in such notice upon the terms specified therein. If the Unit Owner fails to close said proposed sale transaction within said ninety days, the Unit shall again become subject to the Board's right of first refusal as herein provided.

(b) Lease. (i) Each Unit Owner shall occupy and use his Unit as a private dwelling; provided, however, that the Unit Owner need not be an occupant of the Unit if a member of the Unit Owner's immediate family by blood relation (strictly defined as the Unit Owner's mother, father, grandmother(s), grandfather(s), daughter(s), son(s), sister(s), brother(s) and any children of the Unit Owner's sister(s) or brother(s)) resides in the Unit. Individuals not related to the Unit Owner or part of the Unit Owner's immediate family as defined above may reside in the Unit with the Unit Owner. Occupancy of any Unit is subject to local ordinances and regulations governing the number of occupants in the Unit.

(ii) Only those Unit Owners and lenders-in-possession (following a default in a first mortgage) who are leasing their Units on the effective date of this amendment shall be permitted to continue to lease their Units until title or beneficial interest of the Unit passes to anyone other than the current Unit Owner or lender-in-possession by sale, assignment, gift or devise. The Association (in the event possession of a Unit is obtained as a result of efforts to collect unpaid assessments and charges) shall be permitted to lease the Unit until possession of the Unit is returned from the Association to the Unit Owner and further provided that such Unit may continue to be leased after possession is returned to the Unit Owner pursuant to the lease entered into by the Association pursuant to applicable statutes.

(iii) No Unit Owners other than as stated above shall be permitted to lease their Units unless a written request is submitted to the Board setting forth a hardship to the Unit Owner. Hardship may include, but shall not be limited to: illness of the Unit Owner or of a member of the Unit Owner's immediate family (as defined above); the Unit Owner's loss of employment or job relocation; and death of the Unit Owner. In the event the Board determines that a hardship status exists, the Board may grant permission for the Unit Owner to lease the Unit for a period not to exceed twelve months. Thereafter, the Unit Owner must reapply for hardship status.

(iv) Any Unit Owner who wishes to lease his Unit shall give to the Board not less than thirty days' prior written notice of the terms of any contemplated lease, together with the name, address and other relevant information concerning the proposed lessee 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 lease such Unit upon the same terms, which option shall be exercisable for a period of thirty days following the date of receipt of such notice. If said option is not exercised by the Board within said thirty days, the Unit Owner may, at the expiration of said thirty-day period and at any time within ninety days after the expiration of said period, lease such Unit to the proposed lessee named in such notice upon the terms

specified therein. If the Unit Owner fails to lease the Unit under such terms within said ninety days, the Unit shall again become subject to the Board's right of first refusal as herein provided.

(v) No Unit shall be leased for transient or hotel purposes, which are defined as being for a period of less than thirty days or for a period of more than thirty days where services normally furnished by a hotel (such as room service or maid service) are furnished.

(vi) Any lease shall be in writing and shall provide that the lease shall be subject to the terms of this Declaration, the By-Laws, the Rules and Regulations of the Association and the Illinois Condominium Property Act and that any failure of the lessee to comply with the terms of this Declaration, the By-Laws, the Rules and Regulations and the Illinois Condominium Property Act shall be a default under the lease. The Unit Owner shall deliver to the Board a true and correct copy of the signed lease not later than occupancy or ten days after the lease is signed, whichever occurs first.

(vii) Copies of all leases presently in effect must be submitted to the Board within thirty days of the effective date of this amendment.

(viii) In addition to the authority to levy fines against the Unit Owner for violation of this amendment or any other provision of the Declaration, By-Laws or Rules and Regulations, the Board shall have all rights and remedies, including, but not limited to, the right to maintain an action for possession against the Unit Owner and/or their tenant(s) under applicable provisions of the Illinois Code of Civil Procedure for eviction, an action for injunctive and other equitable relief or an action at law for damages.

(ix) All unpaid charges as a result of the foregoing shall be deemed to be a lien against the Unit and collectible as any other unpaid regular or special assessment, including late fees and interest on the unpaid balance.

(c) Release or Waiver of Option. Upon written consent of at least three-quarters of the Board members, any of the options contained in this Article X may be released or waived and the Unit or interest therein which is subject to an option set forth in this Article may be sold or leased free and clear of the provisions of this Article."

11. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article XIII and the first sentence of said article is deleted in its entirety and replaced with:

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“ The Unit Owners through the affirmative vote of Voting Members having at least 66 2/3% of the total votes, at a meeting duly called for such purpose, may elect to sell the Property as a whole.”

12. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article XIV and said article is deleted in its entirety and replaced with:

“

ARTICLE XIV ADMINISTRATION AND OPERATIONS

1. Administration of Property. The direction and administration of the Property shall be vested in a Board of Managers (hereinafter referred to as the “Board”) and shall be pursuant to the provisions of this Declaration and of the By-Laws, attached hereto and incorporated herein by reference as Exhibit “D”.

2. Association. The Association has been incorporated as an Illinois not-for-profit corporation. The Association shall be the governing body of the Unit Owners for the maintenance, repair, replacement, administration and operation of the Property. The Board of Directors of the Association shall be deemed to be the “Board of Managers” referred to herein and in the Illinois Condominium Property Act. Every Unit Owner shall be a member of the Association, which membership automatically shall terminate upon the sale, transfer or other disposition by such member of his Unit at which time the new Unit Owner automatically shall become a member therein. The Association may but need not issue certificates evidencing membership therein.

3. Voting Rights. There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a “voting member”. Such voting member may be the Unit Owner or one of the group composed of all the Unit Owners of a Unit or may be some person designated by such Unit Owner or Unit Owners to act as proxy on his or their behalf and who need not be an Unit Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator or by written notice to the Board by the Unit Owner or Unit Owners. Unit Owners may be present at any meeting of the voting members and may vote or take any other action as a voting member either in person or by proxy. The total number of votes of all voting members shall be 100 and each Unit Owner (or group of Unit Owners) shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Elements applicable to his or their Unit as set forth in Exhibit “C”.

4. Liability of the Board. The members of the Board of Managers shall not be liable personally to the Unit Owners or others for any mistake of judgment or for any acts or omissions made in good faith as such Board member or acting as the Board. The Unit Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Unit Owners unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. It also is intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by any managing agent on behalf of the Unit Owners shall provide that the members of the Board or the managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, as applicable) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements.

5. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the Property, the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all of such Unit Owners."

13. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article XV and said article is deleted in its entirety and replaced with:

"
ARTICLE XV
INTENTIONALLY LEFT BLANK"

14. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article XVI, Section 8 and said section is deleted in its entirety and replaced with:

"8. Notice to Board, Association and Unit Owners. Notices required by this Declaration and the Illinois Condominium Property Act shall be in writing and shall be addressed as follows: if to the Board or the Association to Arlington Grove Condominium Homeowners' Association in care of its

property manager, if any, or to the Board President at his or her Unit address and if to a Unit Owner, to his or her Unit address unless either party has provided to the other a different address for notice purposes. Notices to either party shall be deemed delivered upon deposit in the United States mail properly addressed and postage pre-paid sent by either registered or certified mail or upon personal delivery. Notice to a Unit Owner also can be accomplished by placing the notice in the Unit Owner's mailbox in the Building or by sliding the notice under the door of his Unit."

15. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article XVI, Section 14 and said section is deleted in its entirety and replaced with:

"14. Amendment. Except as otherwise provided in the Act, this Declaration and Bylaws, the provisions of the Condominium Instruments may be amended, changed or modified by an instrument in writing setting forth such amendment, change or modification, signed and acknowledged by all members of the Board, at least two-thirds (2/3) of the Unit Owners and the approval of any mortgagees required under the provisions of the Condominium Instruments, and containing an affidavit by an officer of the Board certifying that a copy of the amendment, change or modification has been mailed by certified mail to all mortgagees having bona fide liens of record against any Unit, not less than ten (10) days prior to the date of such affidavit. Any amendment, change or modification shall conform to the provisions of the Condominium Property Act and shall be effective upon recordation thereof. Except to the extent authorized by provisions of the Act, no amendment to the Condominium Instruments shall change the boundaries of any Unit or the undivided interest in the Common Elements, the number of votes in the Unit Owners' Association or the liability for common expenses appertaining to a Unit."

16. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article XVI, Section 15 and said section is deleted in its entirety and replaced with:

"15. INTENTIONALLY LEFT BLANK."

17. The undersigned hereby declare that the Declaration be and hereby is amended in regard to Article XVI, Section 17 and said section is deleted in its entirety and replaced with:

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"17. INTENTIONALLY LEFT BLANK."

18. The undersigned hereby declare that Exhibit D to the Declaration (By-Laws) be and hereby is deleted in its entirety and replaced with Exhibit D, "By-Laws of Arlington Grove Condominium Homeowners' Association", attached hereto and incorporated herein by reference.

* * * * *

Except as expressly set forth herein, the Declaration shall remain in full force and effect in accordance with its terms.

This Eleventh Amendment to Declaration of Condominium Ownership and By-Laws, Easements, Restrictions and Covenants for Arlington Grove Townhouse Condominiums is approved and is executed and acknowledged by the Board and signed by unit owners having at least 75% of the total vote and contains an affidavit by an officer of the Board of Managers certifying that a copy of the amendment has been mailed by certified mail to all mortgagees having a bona fide lien of record against any unit ownership in the exercise of the power and authority conferred upon and vested in them by the Declaration. All signatories hereby warrant that they possess full power and authority to execute this instrument.

IN WITNESS WHEREOF, the undersigned members have caused their names to be signed to this document or to the attached pages made part hereof by reference effective this 18th day of November, 2002.

ARLINGTON GROVE CONDOMINIUM HOMEOWNERS'
ASSOCIATION, an Illinois not-for-profit corporation

By: John P. F. F. F.
President

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BOARD OF MANAGERS:

John P. Furtak

Linda E. Smalberg

Donald H. Rowley

Renee Wolkowitz

John Stow

being all of the Board members

21432181

STATE OF ILLINOIS)

) ss

COUNTY OF COOK)

I, Renee Wolkowitz

hereby certify that I am the duly elected and qualified Secretary of the Arlington Grove Condominium Homeowners' Association, an Illinois not-for-profit corporation, and as such Secretary, I am the keeper of the books and records of the Association. I further certify that the attached Eleventh Amendment to the Declaration of Condominium Ownership and By-Laws, Easements, Restrictions and Covenants for Arlington Grove Townhouse Condominiums was duly adopted by the affirmative approval of the required majority of voting members and has been signed by the Board of Managers and the Board President. Further, a copy of the amendment was sent by certified mail to all mortgagees having a bona fide lien of record against any Unit.

Dated at Arlington Heights, IL this 18 day of NOVEMBER, 2002

Renee Wolkowitz
Secretary
(SEAL)

arlgrove.amd

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EXHIBIT A
Page 1 of 2

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LEGAL DESCRIPTION

UNITS 1 THROUGH 33, INCLUSIVE, TOGETHER WITH THE UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS ASSIGNED TO SAID UNITS, IN ARLINGTON GROVE TOWNHOUSE CONDOMINIUM AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NO. 89444544 AND AS AMENDED FROM TIME TO TIME IN THE ARLINGTON GROVE SUBDIVISION OF PART OF THE WEST ONE HALF OF THE SOUTHWEST ONE QUARTER OF SECTION 17, TOWNSHIP 42 NORTH, RANGE 11 AND THE EAST ONE HALF OF THE SOUTHEAST ONE QUARTER OF SECTION 18, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

(see Permanent Index Numbers on next page)

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EXHIBIT A
LEGAL DESCRIPTION
Page 2 of 2

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Address	Unit Designation	Permanent Index Nos.
2052 Juniper Lane	2052 -- Building 600	03-18-416-017-1014
2053 Juniper Lane	2053 -- Building 500	03-18-416-017-1030
2056 Juniper Lane	2056 -- Building 600	03-18-416-017-1015
2057 Juniper Lane	2057 -- Building 500	03-18-416-017-1031
2060 Juniper Lane	2060 -- Building 600	03-18-416-017-1016
2061 Juniper Lane	2061 -- Building 500	03-18-416-017-1032
2064 Juniper Lane	2064 -- Building 600	03-18-416-017-1017
2065 Juniper Lane	2065 -- Building 500	03-18-416-017-1033
2072 Juniper Lane	2072 -- Building 700	03-18-416-017-1009
2076 Juniper Lane	2076 -- Building 700	03-18-416-017-1008
2080 Juniper Lane	2080 -- Building 700	03-18-416-017-1007
2084 Juniper Lane	2084 -- Building 700	03-18-416-017-1006
2103 Juniper Lane	2103 -- Building 400	03-18-416-017-1029
2107 Juniper Lane	2107 -- Building 400	03-18-416-017-1028
2108 Juniper Lane	2108 -- Building 800	03-18-416-017-1001
2111 Juniper Lane	2111 -- Building 400	03-18-416-017-1027
2112 Juniper Lane	2112 -- Building 800	03-18-416-017-1002
2115 Juniper Lane	2115 -- Building 400	03-18-416-017-1026
2116 Juniper Lane	2116 -- Building 800	03-18-416-017-1003
2120 Juniper Lane	2120 -- Building 800	03-18-416-017-1004
2121 Juniper Lane	2121 -- Building 300	03-18-416-017-1025
2123 Juniper Lane	2123 -- Building 300	03-18-416-017-1024
2124 Juniper Lane	2124 -- Building 800	03-18-416-017-1005
2125 Juniper Lane	2125 -- Building 300	03-18-416-017-1023
2127 Juniper Lane	2127 -- Building 300	03-18-416-017-1022
2131 Juniper Lane	2131 -- Building 200	03-18-416-017-1018
2133 Juniper Lane	2133 -- Building 200	03-18-416-017-1019
2135 Juniper Lane	2135 -- Building 200	03-18-416-017-1020
2137 Juniper Lane	2137 -- Building 200	03-18-416-017-1021
2141 Juniper Lane	2141 -- Building 100	03-18-416-017-1013
2143 Juniper Lane	2143 -- Building 100	03-18-416-017-1012
2145 Juniper Lane	2145 -- Building 100	03-18-416-017-1011
2147 Juniper Lane	2147 -- Building 100	03-18-416-017-1010

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EXHIBIT D

BY-LAWS
OF

21432181

ARLINGTON GROVE CONDOMINIUM HOMEOWNERS' ASSOCIATION

ARTICLE I General Provisions

The Association is responsible for the overall administration of the Property through its duly elected Board of Managers. Whether or not incorporated, the Association shall have such powers, not inconsistent with the Act, as are now or may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois. The Association shall have and exercise all powers necessary or convenient to affect any or all of the purposes for which the Association is organized and to do every other act not inconsistent with law that may be appropriate to promote and attain the purposes set forth in the Act or the Condominium Instruments. All capitalized terms used but not defined herein that are defined in the Declaration of Condominium Ownership have the same meaning as ascribed to such terms in the Declaration.

ARTICLE II Members

Section 1. *Classes of Members, Membership and Termination of Membership.* The Association shall have one class of members. Each Unit Owner shall be a member of the Association, which membership shall terminate on the sale or other disposition of a member's Unit, at which time the new Unit Owner automatically shall become a member of the Association. Such termination shall not relieve or release any former Unit Owner from any liability or obligation incurred under or in any way connected with the condominium or the Association during the period of such ownership and membership in the Association. Furthermore, such termination shall not impair any rights or remedies that the Board or others may have against a former Unit Owner arising from or in any way connected with such ownership and membership and the covenants and obligations incident thereto Membership. Membership in the Association is not transferable or assignable, except as provided herein.

Section 2. *Votes and Voting Rights.*

- a. The total number of votes of all voting members shall be 100. Each

voting member shall be entitled to the number of votes equal to his percentage ownership interest in the Common Elements (as defined in the Declaration).

- b. If a Unit is owned by more than one person, the voting rights with respect to such Unit shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. If only one of the persons constituting such Unit Owner is present, he shall be entitled to cast the votes allocated to the Unit. If more than one of the persons constituting such Unit Owner are present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of such persons. Agreement by a majority in interest of such persons shall be deemed to exist if any of the persons casts the votes allocated to such Unit without protest being made promptly to the person presiding over the meeting by any other persons constituting the Unit Owner.
- c. Any specified percentage of the voting members, whether majority or otherwise, for purposes of voting or for any other purpose, wherever provided in these By-Laws, shall mean such percentage of the total number of votes hereinabove set forth. Such percentage shall be computed in the same manner as is a specified percentage of the Unit Owners of the Condominium as provided in the Declaration. When 30% or fewer of the Units, by number, possess over 50% in the aggregate of the votes as provided herein, any percentage vote of the members specified herein or in the Declaration shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to Units that would otherwise be applicable.

Section 3. *Installment Contracts.* Anything herein to the contrary notwithstanding, in the event of a sale of a Unit, the purchaser of such Unit pursuant to an installment contract for purchase from a seller other than the Trustee or Developer shall, during such times as he resides in the Unit, be counted toward a quorum for purpose of election of members of the Board at any meeting of the Unit Owners called for the purpose of electing members of the Board and have the right to vote for the election of members of the Board and to be elected to and serve on the Board, unless the seller expressly retains in writing any or all of such rights. In no event may both the seller and purchaser be counted toward a quorum, be permitted to vote, or be elected to serve on the Board. Satisfactory evidence of the existence and terms of the installment contract as they relate to the subject matter of this Section shall

be made available to the Association or its agents. "Installment Contract" shall have the same meaning as set forth in Section 1(e) of the Dwelling Unit Installment Contract Act, 765 ILCS 75/0.01, et seq., approved August 11, 1967, as amended.

ARTICLE III
Meetings of Voting Members

Section 1. *Annual Meeting.*

- a. An annual meeting of the voting members for the purpose of electing Board members and for the transaction of such other business as may come before the meeting shall be held on the second Thursday of December each year or at such other reasonable time or date (not more than thirty days before or after such date) as may be designated by the meeting notice. If the election of members of the Board shall not be held when designated herein for any annual meeting or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the voting members called as soon thereafter as it conveniently may be held.
- b. The Board may disseminate to the voting members biographical and background information about candidates for election to the Board if reasonable efforts are made to identify all candidates and all candidates are given an opportunity to include biographical information and background material in the information to be disseminated and the Board does not express a preference in favor of any candidate.
- c. A Unit Owner shall be entitled to receive from the Board within three working days after the request therefor, the names, addresses and weighted vote of each Unit Owner entitled to vote at the next annual meeting of voting members.

Section 2. *Special Meetings.* Special meetings of the Unit Owners may be called by the Board, the President or not less than 20% of the voting members. All matters to be considered at special meetings of the voting members called by not less than 20% of the members shall first be submitted in writing to the Board not less than ten (10) days before the date of the special meeting of the voting members called to consider such matters.

Section 3. *Place and Time of Meeting.* All meetings of the voting members

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shall take place at 8:00 p.m. on the Property as designated by the person or persons calling the meeting or at such other reasonable place or time designated by the Board or the person or persons calling the meeting.

Section 4. *Notice of Meetings.* Written or printed notice stating the purpose, place, day and hour of any meeting of voting members shall be mailed or delivered to each voting member entitled to vote at such meeting not less than ten nor more than thirty days before the date of such meeting, by or at the direction of the President or the Secretary or the officer or persons calling the meeting. The notice of a meeting shall be deemed mailed when deposited in the United States mail addressed to the voting member at his address as it appears on the records of the Association, with proper postage thereon prepaid.

Section 5. *Quorum.* The members present at a meeting in person or by proxy holding 20% of the votes that may be cast at any meeting shall constitute a quorum at such meeting.

Section 6. *Proxies.* At any meeting of voting members, a voting member entitled to vote may vote either in person or by proxy, executed in writing by the voting member or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution. Any proxy distributed by the Board for election of members of the Board shall give Unit Owners the opportunity to designate any person as the proxy holder and shall give the Unit Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

Section 7. *Manner of Acting.* Except as set forth below and except as otherwise required by the Declaration or the Act, any action to be taken at any meeting of the voting members at which a quorum is present shall be on the affirmative vote of more than 50% of the voting members represented at such meeting. The following matters shall require the affirmative vote of 66 2/3% or more of all the Unit Owners at a meeting duly called for that purpose:

- a. merger or consolidation of the Association;
- b. sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Association; and
- c. purchase and sale of land or Units on behalf of the Unit Owners.

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ARTICLE IV Board of Managers

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Section 1. *In General.* The affairs of the Association shall be managed by the Board, which shall act as the Board of Managers of the Condominium as provided in the Act and the Declaration.

Section 2. *Number, Tenure and Qualifications.* There shall be five members of the Board. Members of the Board shall be elected solely by, from and among the voting members of the Association for a term of two years, serving until their respective successors shall have been elected and qualified. All members of the Board shall be elected at large. Each member of the Board shall hold office without compensation. In the event that a member of the Association is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust or manager of such other legal entity may be eligible to serve as a member of the Board. If there are multiple Unit Owners of a single Unit, only one of the multiple Unit Owners shall be eligible to serve as a member of the Board at any one time. A member of the Board may succeed himself in office. *For the election following the effective date of the Eleventh Amendment to the Declaration of Condominium Ownership, three of the five elected Board members shall be assigned to two-year terms and two of the elected Board members shall be assigned to one-year terms by a method to be determined by the Board prior to the election.*

Section 3. *Election.*

- a. At each annual meeting of the voting members, each voting member shall be entitled to the number of votes equal to the number of Board members to be elected and cumulative voting shall be permitted. The candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. A candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of the ballots at such election.
- b. Upon adoption of appropriate rules by the Board, the election may be conducted by secret ballot whereby the voting ballot is marked only with the percentage interest for the Unit and the vote itself, provided that the Board may adopt further rules to verify the status of the Unit Owner issuing a proxy or casting a ballot.

Section 4. *Regular Meetings.* A regular annual meeting of the Board shall

be held immediately after and at the same place as the annual meeting of voting members. By regulations adopted by the Board, the Board shall provide the time and place for holding of additional regular meetings of the Board. The Board shall meet at least four times per year.

Section 5. *Special Meetings.* Special meetings of the Board may be called by the President or by 25% of the members of the Board. The person or persons permitted to call special meetings of the Board may fix the time and place for holding any special meeting of the Board called by them.

Section 6. *Notice.* Written notice of any special meeting of the Board shall be mailed or delivered to all members of the Association and all members of the Board not calling the meeting at least 48 hours before the date of such special meeting. Written notice of regular meetings of the Board shall be mailed or delivered to all members of the Association at least 48 hours before the date of such meeting. All such notices shall be deemed to be mailed when deposited in the United States mail addressed to each member at his address as it appears on the records of the Association, with proper postage thereon prepaid. The business to be transacted at or the purpose of any regular or special meeting of the Board shall be specified in the notice. Notices of a regular meeting of the Board need not be served on members of the Board. However, copies of notices of meetings of the Board shall be posted in entranceways or other conspicuous places in the condominium designated by the Board at least 48 hours before the meeting.

Section 7. *Quorum.* A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 8. *Manner of Acting.* The act of a majority of the members of the Board present at the meeting at which a quorum is present at the commencement of the meeting shall be the act of the Board, except when otherwise provided by law or in the Condominium Instruments.

Section 9. *Vacancies.*

- a. Any vacancy occurring in the Board by reason of death, removal or resignation of a member of the Board shall be filled by the two-thirds vote of the remaining members of the Board. A member elected by the Board to fill a vacancy shall serve until the next meeting of the voting members; provided that if a petition is filed with the Board signed by voting members holding 20% of the votes of the Association requesting a meeting of the voting members to fill the vacancy for the balance of the unexpired term of office of

his predecessor, the term of the member of the Board so elected by the Board shall terminate 30 days after the filing of the petition and a meeting of the voting members for the purpose of filling such vacancy for such unexpired term shall be called no later than 30 days following the filing of such petition.

- b. Members of the Board may resign at any time by written resignation delivered or mailed to any officer of the Association, which resignation shall be effective upon receipt. If, as a result of the death, removal or resignation of a member of the Board, no member of the Board remains in office, a special meeting of the voting members may be called to fill all vacancies for the unexpired terms of the members of the Board.

Section 10. *Removal.* Any member of the Board may be removed from office by the affirmative vote of 66 2/3% of all the voting members of the Association at a regular or special meeting called for such purpose.

Section 11. *Adoption of Rules and Regulations.* All rules and regulations or amendments thereto shall be adopted by the Board after a meeting of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations, which rules and regulations conform to the requirements of the Act and the Declaration and these By-Laws. No quorum is required at such meeting of the Unit Owners. No rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution.

Section 12. *Open Meetings.* All meetings of the Board, whether regular or special, shall be open to the Unit Owners, except for meetings

- a. to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal or when the Board finds that such an action is probable or imminent;
- b. to consider information regarding appointment, employment or dismissal of an employee; or
- c. to discuss violations of the Association's rules and regulations or a Unit Owner's unpaid share of Common Expenses.

Any vote on the above matters shall be taken at a meeting or portion thereof open to any Unit Owner. Any Unit Owner may record the proceedings

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at meetings required to be open by the Act or these By-Laws by tape, film or other means, subject to reasonable rules and regulations prescribed by the Board to govern the right to make such recordings.

Section 13. *Contracts.* The Board may not enter into a contract with a current Board member or with a corporation or partnership in which a Board member or a Board member's family has a twenty-five percent (25%) or more interest unless notice of intent to enter into the contract is given to the Unit Owners within twenty days after a decision is made to enter into the contract and the Unit Owners are afforded an opportunity by filing a petition, signed by twenty percent of the Unit Owners, for an election to approve or disapprove the contract. Such petition shall be filed within twenty (20) days after such notice and such election shall be held within thirty days after filing the petition. For purposes of this Section, a Board member's immediate family means the Board member's spouse, parents and children.

Section 14. *Board's Determination Binding.* In the event of any dispute or disagreement between any Unit Owners relating to the Property or any question of interpretation or application of the provisions of the Declaration, the rules and regulations or the By-Laws, the determination thereof by the Board shall, absent manifest error, be final and binding on each and all of such Unit Owners.

ARTICLE V Officers

Section 1. *Officers.* The officers of the Association shall be a President, one or more Vice Presidents (the number of which to be determined by the Board), a Treasurer and a Secretary.

Section 2. *Election and Term of Office.* The President, Secretary and Treasurer of the Association shall be elected annually by the Board at its first regular meeting held after the annual meeting of the voting members from among the members of the Board. The Vice President(s) and other such additional officers as may be elected from time to time shall be elected from among the members of the Board or from among the membership of the Association. Vacancies in any officer position may be filled, new offices may be created and filled and Vice President or additional offices may be deleted at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and qualified. An officer may hold two positions and may succeed himself in office. Officers shall serve without compensation.

Section 3. *Removal.* Any officer elected by the Board may be removed by

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a majority vote of the members of the Board.

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Section 4. *Vacancies.* A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board for the unexpired portion of the term of the officer no longer serving.

Section 5. *President.* The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the voting members and of the Board. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, contracts or other instruments the Board has authorized to be executed and any amendment to the Declaration or Plat as provided in the Act and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 6. *Vice President.* In the absence of the President or in the event of the President's inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents, in order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions on the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board.

Section 7. *Treasurer.* The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, keep the financial records and books of account, receive and give receipts for money due and payable to the Association from any source whatsoever, deposit all such money in the name of the Association in those banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these By-Laws and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board.

Section 8. *Secretary.* The Secretary shall keep the minutes of the meetings of the voting members and of the Board, see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law, mail and receive all notices on behalf of the Association, together with the President, execute on behalf of the Association amendments to the Condominium Instruments and other documents as required or permitted by the Declaration, these By-Laws or the Act, be custodian of the records and, if the Association is incorporated, of the seal of the Association and, if the Association is incorporated, see that the seal of the Association is affixed to

all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-Laws and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.

ARTICLE VI

Powers and Duties of the Association and Board

Section 1. *General Powers and Duties of the Board.* The Board shall exercise for the Association all powers, duties and authority vested in the Association by the Act and the Condominium Instruments, including but not limited to the following:

- a. Operation, care, upkeep, maintenance, replacement and improvement of the Common Elements to the extent the operation, care, upkeep, maintenance, replacement and improvement of Limited Common Elements is not imposed on Unit Owners hereunder.
- b. Preparation, adoption and distribution of the annual budget for the Property.
- c. Levying and expending of assessments.
- d. Collection of assessments from Unit Owners.
- e. Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements.
- f. Obtaining adequate and appropriate kinds of insurance.
- g. Owning, conveying, encumbering, leasing and otherwise dealing with Units and land conveyed to or purchased by the Association.
- h. Adoption and amendment of rules and regulations covering the details of the operation and use of the Property.
- i. Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property.
- j. Having access to each Unit, from time to time, as may be necessary for the maintenance, repair or replacement of any Common

Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units.

- k. Borrowing money at such rates of interest as it may determine, issuing its notes, bonds and other obligations to evidence such borrowing and securing any of its obligations by making a mortgage or giving a security interest in all or any of its property or income.
- l. Paying real estate property taxes, special assessments and any other special taxes or charges of the State of Illinois or of any political subdivision thereof or other lawful taxing or assessing body that are authorized by law to be assessed and levied on the real property of the condominium (other than assessments on Units not owned by the Association).
- m. Imposing charges for late payments of a Unit Owner's proportionate share of the Common Expense or any other expenses lawfully agreed on and, after notice and an opportunity to be heard, levying reasonable fines for violation of the Declaration, By-Laws and rules and regulations of the Association.
- n. Assigning the Association's rights to future income from assessments or other sources and to mortgage or pledge substantially all of the remaining assets of the Association, by a majority vote of the entire Board.
- o. Recording the dedication of a portion of the Common Elements to a public body for use as or in connection with a street or utility, when authorized by the voting members.
- p. Recording the granting of an easement for the laying of cable television cable when authorized by the voting members and, if available and determined by the Board to be in the best interests of the Association, obtaining cable television service for all of the Units on a bulk identical service and equal cost per Unit basis and assessing and recovering the expense as a common expense and, if so determined by the Board, to assess each and every Unit on the same equal cost per Unit basis.
- q. Recording the grant of an easement for construction, maintenance or repair of a project for protection against water damage or erosion.

- r. Making reasonable accommodations for the needs of handicapped Unit Owners, as required by the Human Rights Act and other applicable statutes and ordinances, in the exercise of the Board's powers with respect to the use of the Common Elements or approval of modifications in an individual Unit.
- s. Establishing and maintaining a system of master metering of public utility services and collecting payments in connection therewith, subject to the requirements of the Tenant Utility Payment Disclosure Act.

Section 2. *Specific Powers and Duties.* Anything herein contained to the contrary notwithstanding, the Association shall have the following powers:

- a. To engage the services of a manager or managing agent, who may be any person, firm or corporation on such terms and compensation as the Association deems fit and to remove such manager or managing agent at any time, provided any agreement with such manager or managing agent shall extend for not more than three years and must be terminable by either party to such agreement without cause and without payment of a termination fee on ninety days' or less prior written notice.
- b. To engage the services of any person (including, but not limited to, accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Association, in the operation, repair, maintenance and management of the Property or in connection with any duty, responsibility or right of the Association and to remove any such personnel at any time.
- c. To establish or maintain one or more bank accounts for the deposit of any funds paid to or received by the Association.
- d. To invest any funds of the Association in certificates of deposit, money market funds or comparable investments.
- e. Upon authorization of a two-thirds vote of the members of the Board or by affirmative vote of not less than a majority of the voting members at a meeting duly called for such purpose, acting on behalf of all Unit Owners, to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments or charges of the State of Illinois or any political subdivision thereof or of any lawful taxing or assessing body and

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to charge and collect all expenses incurred in connection therewith as Common Expenses.

Section 3. *Fiduciary Duty.* In the performance of their duties, the officers and members of the Board shall exercise the care required of a fiduciary of the Unit Owners.

Section 4. *Business Activities.* Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Unit Owners or any of them. The granting of licenses, leases or concessions shall not be considered conducting an active business for profit.

Section 5. *Authorized Expenditures.* The Association shall acquire and make arrangements for and pay for out of the Maintenance Fund, in addition to the manager, managing agent or other personnel above provided for, the following:

- a. Water, waste removal, heating, electricity, telephone or other necessary utility services for the Common Elements and such services to the Units as are not separately metered or charged to the Unit Owners thereof.
- b. Such insurance as the Association is required or permitted to obtain as provided in the Declaration.
- c. Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintaining, decorating, repairing and replacing portions of the Common Elements and such furnishings and equipment for the Common Elements as the Association shall determine are necessary and proper and the Association shall have the exclusive right and duty to acquire the same for the Common Elements. Anything in the foregoing to the contrary notwithstanding, and except when the need for repair or replacement is due to the act or omission of a Unit Owner, guest, occupant, family member or pet, the Association shall be responsible for the repair and replacement (and cleaning of the exterior surfaces) of all windows. The Association may charge expenses relative to the maintenance, repair and replacement of the Limited Common Elements to the Unit Owner or Unit Owners to whom the exclusive use of the Limited Common Elements is assigned as shall be determined by the Board.
- d. Any other materials, supplies, furniture, labor, services,

- maintenance, repairs, structural alterations or assessments that the Association deems necessary or proper for the maintenance and operation of the Property or for the enforcement of any restrictions or provisions contained herein.
- e. Any amount necessary to discharge any mechanics lien or other encumbrance levied against the Property or any part thereof that may in the opinion of the Association constitute a lien against the Property or against the Common Elements rather than merely against the interest therein of particular Unit Owners. When one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Association by reason of said lien or liens shall be specially assessed to said Unit Owners and shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses.
- f. Maintenance and repair of any Unit or any other portion of the Property that an Unit Owner is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Association, to protect the Common Elements or any other portion of the Property and the Unit Owner of said Unit has failed or refused to perform the maintenance or repair within a reasonable time after written notice of the necessity of the maintenance or repair is delivered by the Association to the Unit Owner; provided that the Association shall levy a special assessment against such Unit Owner for the cost of the maintenance or repair and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses.
- g. Maintenance and repair (including payment of real estate taxes and common expenses) with respect to any Unit owned by the Association.
- h. If, due to the act or neglect of a Unit Owner or of a member of the Unit Owner's family or household pet or of a guest or other authorized Occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others or maintenance, repairs or replacements shall be required

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that would otherwise be a Common Expense, the assessment against such Unit Owner of a charge for such damage and such maintenance, repairs and replacements as may be determined by the Board, to the extent not covered by insurance, and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

- I. (i.) All expenses, charges and costs of the maintenance, repair or replacement of the Common Elements and any other expenses, charges or costs that the Association may incur or expend pursuant hereto, shall be approved by the Board.

(ii.) Assessments for additions and alterations to the Common Elements or to Association-owned property not included in the adopted Annual Budget shall be separately assessed and are subject to approval of two-thirds of the total votes of all Unit Owners. The Board may adopt separate assessments payable over more than one fiscal year, the entire amount of which shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.

(iii.) As used herein, the terms "repairing, replacing and restoring" means to repair, replace or restore deteriorated or damaged portions of the then-existing decorating, facilities, structural or mechanical components, interior or exterior surfaces or energy systems and equipment to their functional equivalent prior to the deterioration or damage.

(iv.) The repair, replacement or restoration of a Common Element may result in an improvement over the original quality of such Common Element or facilities. Unless the improvement is mandated by law or is an emergency as defined in Section 18(a)(8)(iv) of the Act, if the improvement results in a proposed expenditure exceeding 5 percent of the Annual Budget, the Board, upon written petition by Unit Owners with 20 percent of the votes of the Association delivered to the Board within 14 days of the Board's action to approve such expenditure, shall call a meeting of Unit Owners within 30 days of the date of delivery of such petition to consider the expenditure. Unless a majority of the total votes of the Unit Owners are cast at this meeting to reject the expenditure, the Board's decision to make the expenditure is ratified.

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Section 6. *Annual Budget.*

- a. Each year, on or before November 1st, the Board shall estimate the annual budget of Common Expenses (Annual Budget), including the total amount required for the cost of wages, materials, insurance, services and supplies that will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements (as hereinafter specified) and each Unit Owner's proposed Common Expense assessment, together with an indication of which portions of the Annual Budget are intended for such reserves, capital expenditures or repairs or payment of real estate taxes. The Board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least thirty days before the adoption thereof. The Association shall give Unit Owners notice as provided in Article III, Section 4 of the By-Laws of any meeting of the Board concerning the adoption of the proposed Annual Budget and regular assessments pursuant thereto or to adopt a separate assessment.
- b. If said Annual Budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessment or any nonrecurring Common Expense or any Common Expense not set forth in the Annual Budget as adopted, the Board may at any time levy a further assessment which shall be separately assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements, and which may be payable in one lump sum or such installments as the Board may determine. The Board shall serve notice of such further assessment on all Unit Owners (as provided in Article III, Section 4 of the By-Laws) by a statement in writing, giving the amount and reasons therefor, and such further assessment shall become effective and shall be payable to such time or times as determined by the Board. All Unit Owners shall be obligated to pay the further assessment.
- c. If an adopted Annual Budget or any separate assessment would result in the sum of all assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year, the Board, upon written petition by Unit Owners with 20% of the votes of the Association delivered to the Board within 14 days of the Board action, shall call a meeting of the Unit Owners within 30 days of the date of delivery of the petition to consider the budget or separate assessment. Unless a majority of the total votes of the

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Unit Owners are cast at a meeting to reject the budget or separate assessment, it is ratified. In determining whether separate assessments together with regular assessments exceed 115% of similar assessments in the preceding fiscal year, any separate assessment for expenditures relating to emergencies or mandated by law shall not be included in the computation and the Board may approve such assessment without the right of Unit Owner veto set forth in this paragraph. As used herein, "emergencies" mean immediate dangers to the structural integrity of the Common Elements or to the life, health, safety or property of the Unit Owners.

- d. The Annual Budget shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. Each Unit Owner shall be obligated to pay to the Association, or as it may direct, the portion of the Annual Budget assessed to such Unit Owner in equal monthly installments (subject to acceleration as hereinafter provided) on or before January 1st of the ensuing year and on the 1st day of each and every month of said year.
- e. The failure or delay of the Association to prepare or serve the Annual Budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owners' obligation to pay the maintenance and other costs and necessary Reserves as herein provided, whenever the same shall be determined. In the absence of any annual or adjusted budget, the Unit Owners shall continue to pay the monthly assessment charges at the then-existing monthly rate established for the previous period until the monthly assessment payment that is due more than ten (10) days after such new Annual Budget shall have been mailed.
- f. Anything herein or in the Declaration to the contrary notwithstanding, the Board may charge to fewer than all Unit Owners such portion of the insurance premium for insurance the Association is required or permitted to obtain that reflects increased charges for coverage on the Units owned by such Unit Owners on such reasonable basis as the Board shall determine. Such charge shall be considered a Common Expense with respect to the Units owned by such Unit Owners for all purposes herein and under the Declaration.
- g. All funds collected hereunder shall be held and expended solely for the purposes designated herein and (except for such

assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.

- h. The Association shall have no authority to forbear the payment of assessments by any Unit Owner.

Section 7. *Annual Accounting.*

- a. On or before April 15th of each calendar year, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with an indication of which portions of the Annual Budget were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment and showing the net excess or deficit of income over expenditures plus Reserves. Any amount accumulated in excess of the amount required for actual expenses and Reserves may be credited according to each Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year's Annual Budget, until exhausted, and any net shortage shall be added, according to each Unit Owner's percentage of ownership of the Common Elements, to the installments due in the succeeding six months after rendering of the accounting.
- b. The Association shall allow any First Mortgagee to examine the books and records of the Association during reasonable business hours and to receive, on request, annual reports and other financial data prepared by the Association, or at its direction.

Section 8. *Reserves.*

- a. The Association shall build up and maintain a reasonable Reserve for operations, contingencies and replacement. Extraordinary expenditures not originally included in the Annual Budget that may become necessary during the year shall be charged first against such Reserve. In addition, the Association or the Board shall have the right to segregate all or any portion of the Reserve for any specific replacement or contingency on such conditions as

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the Association or the Board deems appropriate.

- b. The Annual Budget shall provide for reasonable Reserves for capital expenditures and deferred maintenance for repair or replacement of the Common Elements. To determine the amount of Reserves appropriate for the Association, the Board shall take into consideration the following: (1) the repair and replacement cost and the estimated useful life of the property the Association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the buildings and Common Elements, and energy systems and equipment; (2) the current and anticipated return on investment of Association funds; (3) any independent professional reserve study the Association may obtain; (4) the financial impact on Unit Owners, and the market value of the Units, of any assessment increase needed to fund Reserves; and (5) the ability of the Association to obtain financing or refinancing.
- c. Anything to the contrary in the foregoing notwithstanding, the Association may elect to waive in whole or in part the Reserve requirements of this section by a vote of not less than 66 2/3% of the total votes of the Association. In the event the Association elects to waive all or part of the Reserve requirements of this section, such fact must be disclosed after the meeting at which such waiver occurs by the Association in the financial statements of the Association and, highlighted in bold print, in the response to any request of a prospective purchaser for the information prescribed under §22.1 of the Act, and no member of the Board or the managing agent of the Association shall be liable, and no cause of action may be brought for damages against these parties, for the lack or inadequacy of Reserve funds in the Annual Budget. If the Association elects to waive all or part of such Reserve requirements, the Association may by a vote of not less than 66 2/3% of the total votes of the Association elect to again be governed by the Reserve requirements of this section.

Section 9. *Default in Payment.*

- a. If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for fifteen (15) days, the Association may assess a service charge or late charge on the balance of the aforesaid charges and assessments for each month, or part thereof, that the balance, or any part thereof, remains unpaid. The Board shall enact rules and regulations providing for

the amount of the service or late charges and for such other fees and penalties for the non-payment or late payment of assessments. In the absence of such action, the service or late charges will be set at 5%. The Association may bring suit for and on behalf of itself, and as representative of all Unit Owners, to enforce collection thereof, or to foreclose the lien therefor as provided by law; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the court. In addition, the Association may also take possession of such defaulting Unit Owner's interest in the Property and maintain an action for possession of the Unit in the manner provided by law.

- b. Each such assessment, together with interest, court costs, service or late charges and reasonable attorneys' fees and costs of collections or the amount of any unpaid fine, shall also be the personal obligation of the person who was the Unit Owner at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title or interest unless assumed by them or required by applicable law.
- c. No Unit Owner may assign, delegate, transfer, surrender, waive or avoid the duties, responsibilities and liabilities of an Unit Owner under the Act, the Declaration, the By-Laws and the rules and regulations, including (but not limited to) the liability for the assessments provided for herein, by nonuse of the Common Elements or abandonment of his Unit or in any other manner. Any such attempted assignment, delegation, transfer, surrender or avoidance shall be deemed void.

Section 10. *Books of Account and Statement of Account.*

- a. The Association shall keep full and correct books of account.
- b. Upon ten (10) days' notice to the Association through the Board of Managers or the managing agent (as established by the Board) and the payment of a reasonable fee fixed by rules adopted by the Board, but in absence of such rule then upon payment to the Association of Thirty Five Dollars (\$35.00), any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 11. *Priority of Liens.* Any mortgage or trust deed owned or held

by a First Mortgagee and recorded prior to the recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his share of the monthly assessment when due shall be superior to the lien of such unpaid Common Expenses set forth in said notice and to all assessments for Common Expenses which become due and are unpaid subsequent to the date of recording of such first mortgage or first trust deed. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the mortgage or trust deed, foreclosure of the mortgage or trust deed or deed (or assignment) in lieu of foreclosure shall not be liable for and shall take the Unit and its proportionate interest in the Common Elements free from claims for unpaid common or special assessments levied by the Association which accrue prior to the date of possession as aforesaid.

ARTICLE VII

Contracts, Checks, Deposits and Funds

Section 1. *Contracts.* The Board may authorize any officer or officers or 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. Such authority may be general or confined to specific instances.

Section 2. *Checks, Drafts and Other Instruments.* 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 or agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Association. In the absence of other direction, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

Section 3. *Deposits.* All funds of the Association 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.

Section 4. *Gifts.* 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 VIII

Books and Records

Section 1. *Maintaining Books and Records.* The Board of Managers shall

keep and maintain the following records, or true and correct copies of these records, at the Association's principal office:

- a. The Association's Declaration, By-Laws and plats of survey and any amendments thereto, any rules and regulations adopted by the Board, the Articles of Incorporation of the Association if incorporated and all amendments thereto and annual reports if incorporated.
- b. Minutes of all meetings of the Association and the Board, for the immediately preceding seven years.
- c. All current policies of insurance of the Association.
- d. All contracts, leases and other agreements then in effect to which the Association is a party or under which the Association or the Unit Owners have obligations or liabilities.
- e. A current listing of the names, addresses and weighted vote of all members entitled to vote.
- f. Ballots and proxies related thereto for all matters voted on by the voting members during the immediately preceding 12 months, including but not limited to the election of members of the Board; provided, however, that in the event the Board adopts rules for secret ballot election as provided in the Act, then, unless directed by court order, only the voting ballot excluding the Unit number shall be subject to inspection and copying.
- g. The books and records of account for the Association's current and 10 immediately preceding fiscal years, including but not limited to itemized and detailed records of all receipts and expenditures.
- h. Such other records of the Association as are available for inspection and examination by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986 of the State of Illinois, as amended, and by Unit Owners pursuant to Section 19 of the Illinois Condominium Property Act.

Section 2. Availability for Examination. Any Unit Owner in person or by agent and at any reasonable time or times at the Association's principal office shall have the right to inspect, examine and make copies of the records

described in Article VIII, Section 1, above, upon having first submitted a written request to the Association Board or its authorized agent stating with particularity the records sought to be examined. The written request to inspect, examine and make copies of records described in Article VIII, Sections 1(d), 1(e), 1(f) and 1(g), above, must include a proper purpose for the request.

Section 3. *Costs.* The actual cost to the Association of retrieving and making requested records available for inspection and examination under this Article shall be charged by the Association to the requesting Unit Owner. If a Unit Owner requests copies of records requested under this Article, the actual costs to the Association of reproducing the records shall also be charged by the Association to the requesting Unit Owner.

ARTICLE IX
Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the last day of December.

ARTICLE X
Seal

If the Association is incorporated, the Board shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal, Illinois."

ARTICLE XI
Amendments to By-Laws

These By-Laws, except Sections 4 and 12 of Article VI, Article XIII and this Article XI, may be altered, amended or repealed and new By-Laws may be adopted upon the affirmative vote of 66 2/3% of all of the voting members at a regular meeting or at any special meeting called for such purpose, by recording an instrument in writing setting forth such alteration, amendment or repeal which is signed and acknowledged by an authorized member of the Board and that contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained. Those specified provisions may be amended as set forth in the first

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sentence of Article XVI, Section 14 of the Declaration.

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ARTICLE XII Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of the Illinois Condominium Property Act, the General Not For Profit Corporation Act of 1986 of the State of Illinois or under the provisions of the Articles of Incorporation or By-Laws of the Association or the Declaration, a waiver thereof (subject to all the provisions of such instruments) 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 XIII CONSTRUCTION

a. Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. The Declaration and these By-Laws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these By-Laws and the aforesaid Declaration, the provisions of the Declaration shall control.

b. All words and terms used herein that are also used in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

c. In the event the Association is incorporated, the words "Board of Directors" and "Director" shall be substituted for the words "Board" and "Member of the Board," respectively, wherever they appear herein.

ARTICLE XIV Liability of Board Members and Officers and Indemnification

Section 1. *Extent of Liability.* Neither the directors nor the officers of the Association shall be liable to the Association or the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever, as such director and officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Association shall defend, indemnify and hold harmless any person who was or is a party or is

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threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. *Defense Expenses.* Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, on receipt of an undertaking by or on behalf of the director or the officer of the Association to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article. The sums necessary to discharge the obligations of the Association under this Article shall be Common Expenses.

Section 3. *Non-Exclusivity.* The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested directors or otherwise, both as to action in his official capacity and as to action in other capacity while holding such office and shall continue as to a person who has ceased to be a director or an officer of the Association.

ARTICLE XV

Application of Governing Documents to Leases

Section 1. *Application to Leases.* The provisions of the Illinois Condominium Property Act, the Declaration, these By-Laws and the rules and regulations that relate to the use of the individual Unit or the Common Elements shall be applicable to any person leasing a Unit and shall be deemed to be incorporated on any lease.

Section 2. *Time for Compliance.* The Unit Owner leasing the Unit shall deliver a copy of the signed lease to the Board (or if the lease is oral, a memorandum of the lease) not later than the date of occupancy or 10 days after the lease is signed, whichever occurs first.

Section 3. *Remedies for Non-Compliance.* In addition to any other remedies, by filing an action jointly against the tenant and the Unit Owner, the Association may seek to enjoin a tenant from occupying a Unit or seek to evict a tenant under the provisions of Article IX of the Code of Civil Procedure for failure of the lessor-Unit Owner to comply with the leasing requirements prescribed by this section or by the Declaration, By-Laws and rules and regulations. The Board may proceed directly against a tenant, at law or in equity, or under the provisions of Article IX of the Code of Civil Procedure for any other breach by tenant of any covenants, rules, regulations or By-Laws.

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WE, THE UNDERSIGNED, being Unit Owners of record in the Arlington Grove Condominium Homeowners' Association, an Illinois not-for-profit corporation, hereby declare that we have received the foregoing Eleventh Amendment to the Declaration of Condominium Ownership and By-Laws, Easements, Restrictions and Covenants for Arlington Grove Townhouse Condominiums, understand its contents and effect and acknowledge our approval of said amendment by our signatures below:

<u>BARBARA JACOBSEN</u>	<u>Barbara Jacobsen</u>	<u>2084</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>ROBERT J. PARAVUSA</u>	<u>Robert J. Paravusa</u>	<u>2084</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>DONALD G. ROWLEY</u>	<u>Donald G. Rowley</u>	<u>2072</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>MARY JO ROWLEY</u>	<u>Mary Jo Rowley</u>	<u>2072</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>FREDERICK C. HILL</u>	<u>Frederick C. Hill</u>	<u>2076</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>MIRIAM J. ROSS TR.</u>	<u>Miriam J. Ross TR.</u>	<u>2141</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>Josefine Kauten-Christos</u>	<u>Josefine Kauten-Christos</u>	<u>2147</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>MARY P. SWIECA</u>	<u>Mary P. Swieca</u>	<u>2125</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>LAURA OHMAN</u>	<u>Laura Ohman</u>	<u>2143</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

<u>VALERIE H. DAWSON</u>	<u>Valerie H. Dawson</u>	<u>2137</u>
Unit Owner's Name (printed)	Unit Owner's Signature	Unit No.

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JANICE R. STORM
Unit Owner's Name (printed) *Janice R Storm*
Unit Owner's Signature 2133
Unit No.

JOHN C. STORM
Unit Owner's Name (printed) *John Storm*
Unit Owner's Signature 2133
Unit No.

LINDA E. SMEDBERG
Unit Owner's Name (printed) *Linda E Smedberg*
Unit Owner's Signature 2135
Unit No.

DWANE TROUTEN
Unit Owner's Name (printed) *Dwane Trouten*
Unit Owner's Signature 2145
Unit No.

JOHN F. FITPATRICK
Unit Owner's Name (printed) *John F. Fitzpatrick*
Unit Owner's Signature 2053
Unit No.

JEAN BRAUWEILER
Unit Owner's Name (printed) *Jean Brauweiler*
Unit Owner's Signature 2108
Unit No.

BENE WOLKOWITZ
Unit Owner's Name (printed) *Bene Wolkowitz*
Unit Owner's Signature 2131
Unit No.

VLADIMIR LIKHOVID
Unit Owner's Name (printed) *Vladimir Likhovid*
Unit Owner's Signature 2123
Unit No.

SHIRLEY A. SOCTOR
Unit Owner's Name (printed) *Shirley A. Sactor*
Unit Owner's Signature 2145
Unit No.

EVELYN LATHROPE
Unit Owner's Name (printed) *Evelyn Lathrope*
Unit Owner's Signature 2127
Unit No.

