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Eugene "Gene" Moore Fee: \$98.00
Cook County Recorder of Deeds
Date: 08/27/2003 10:42 AM Pg: 1 of 38

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CASE NO. P0302-04

August 7, 2003

Permanent Index Number: 07-03-100-006

MAIL TO:

Village of Schaumburg
Director of Planning
101 Schaumburg Court
Schaumburg, Illinois 60193

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Prepared by and return to:

George Caravelli
Arbor Glen Development Corp.
460 Briargate Drive, Suite 500
South Elgin, Illinois 60177

For Recorder's Use

**DECLARATION OF PARTY WALL RIGHTS,
COVENANTS, RESTRICTIONS, CONDITIONS AND EASEMENTS
FOR ARBOR GLENN, SCHAUMBURG, ILLINOIS**

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

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

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

WHEREAS, there has been incorporated or will soon be incorporated under the laws of the State of Illinois, as an not-for-profit corporation, the Arbor Glenn Homeowners' Association for the purpose of exercising the functions aforesaid; and

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

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WHEREAS, the Declarant may, from time to time for the purposes hereinafter enumerated, convey certain portions of the Property, as hereinafter defined, to the Association, as hereinafter defined, as well as to various owners;

NOW, THEREFORE, the Declarant hereby declares that only the real estate described in Exhibit "A" shall be transferred, held, sold, conveyed and accepted subject to this Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements. The easements, covenants, restrictions, conditions and burdens, uses, privileges, charges and liens shall: (1) exist at all times hereafter amongst all parties having or acquired rights, title or interest in any portions of the real estate; (2) be binding upon and inure to the benefit of each Owner (as hereinafter defined); and (3) run with the land subject to this Declaration, to be held, sold and conveyed subject thereto.

ARTICLE I ***Definitions***

SECTION 1.01. "Associations" shall mean and refer to Arbor Glenn Homeowners' Association, an Illinois not-for-profit corporation.

SECTION 1.02. "Board" shall mean the Board of Directors of the Association as constituted at any time or from time to time, in accordance with the applicable provisions of Article III.

SECTION 1.03. "Bylaws" shall mean the Bylaws of the Arbor Glenn Homeowners' Association, a copy of which is attached as Exhibit "B" hereto and by this reference made a part hereof.

SECTION 1.04. "Common Area" shall mean all real estate owned by the Association for the common use and enjoyment of all members of the Association (except for those portions reserved for the exclusive use of certain Owners as hereinafter set forth) and such uses thereto by way of easements or other grant from the Declarant, the Association or others as may be granted to or by the Association for the common use and enjoyment of the Owners. The common area shall be hereafter conveyed to the Association from time to time and by this reference made a part hereof and such additions thereto as may hereafter be brought within jurisdiction of, or conveyed to, the Association.

SECTION 1.05. "Declarant" shall mean and refer to the Arbor Glenn Development Corporation, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

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SECTION 1.06. "Declaration" shall mean this instrument, by which the certain covenants and restrictions are established to govern the use, maintenance and administration of the Property for the mutual benefit and enjoyment of the owners of the Townhome Units.

SECTION 1.07. "Family" shall mean one or more persons each related to the other by blood, marriage, or legal adoption, or a group of not more than six (6) persons not all so related maintaining a common household in the Townhome Unit.

SECTION 1.08. "Initial Capitalization Fee" shall mean a sum equal to 3 times the monthly assessment fee which shall be payable by purchaser upon the closing of the initial conveyance from the Declarant.

SECTION 1.09. "Limited Common Area" shall mean a portion of the Common Area so designated in the Declaration or on the Plat as being reserved for the use of a certain Unit or Units to the exclusion of the other Units.

SECTION 1.10. "Lot" shall mean and refer to a platted lot designated as such upon any recorded subdivision map or Plat of Planned Unit Development of the Property and upon which lot a Townhome Unit is construction or to be constructed.

SECTION 1.11. "Member" shall mean and refer to any person or entity who holds membership in the Association.

SECTION 1.12. "Occupant" shall mean any person or persons other than the Owner rightfully in possession of a Townhome Unit.

SECTION 1.13. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot or Townhome Unit, as hereinafter defined, including contract sellers, but excluding those having such interest merely as security for the performance of any obligations. The term "Owner" shall include the Declarant, Arbor Glenn Development Corporation, to the extent of a number of Lots or Townhome Unit owned by Declarant and also includes the interest of Declarant as contract seller of any Lot or Townhome Unit.

SECTION 1.14. "Property" shall mean and refer to that certain real estate described in Exhibit "A".

SECTION 1.15. "Townhome Unit" shall mean a residential house unit consisting of a group of rooms which may be attached to one or more other Townhome Units by common party wall and which are designed or intended for the exclusive use as living quarters for one Family as heretofore defined, as construction by the Declarant upon the Property.

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ARTICLE II *Membership*

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

ARTICLE III *Voting Rights and Board of Directors*

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

CLASS A: The Class A Members shall be all those owners as defined in Article II, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Unit in which they hold the interest required for membership by Article II. When more than one person holds such interest in any Townhome Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Townhome Unit.

CLASS B: The Class B Members shall be Declarant, Arbor Glen Development Corporation. The Class B Members shall be entitled to twenty (20) votes for each Townhome Unit in which Declarant holds the interest required for membership by Article II, provided that the Class B membership shall cease and be converted to Class A membership on the earlier of either (a) the date which is Five (5) years after the date this Declaration is recorded; or (b) the date on which the Developer has sold a total of twenty four (24) Townhome Units.

SECTION 3.02. No owner of any interest in any Unit shall have any right or power to disclaim, terminate or withdraw from his membership in the Association or any of his obligations as such member, and no purported disclaimer, termination or withdrawal thereof of therefrom on the part of any such owner shall be of any force or effect for any purpose.

SECTION 3.03. The Association shall have a Board of Directors, consisting of not less than three (3) members, who shall be elected by the Members of the Association at such intervals as the Bylaws of the Association shall provide, except that vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled by the Board if so provided

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by the Bylaws. The initial Board shall be appointed by the Declarant and shall act until the initial meeting of the Board of Directors as provided in the Bylaws. The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board who shall manage and conduct the affairs of the Association under the direction of the board. Except as otherwise expressly provided by the Bylaws, all power and authority to act on behalf of the Association shall be vested in its Board and its officers under the direction of the Board, and shall not be subject to any requirement of approval on the part of its Members. The Bylaws of the Association may include such provisions for the protection and indemnification of its officers and directors as shall be permissible by law.

SECTION 3.04. The Association, being a not-for-profit corporation, shall not distribute its Members any sums in the nature of dividends upon its shares. To the extent that funds shall not be required for current expenditures or for such reserves, the next monthly assessments may, in the discretion of the Board, be eliminated or the amount thereof appropriately reduced.

SECTION 3.05. Whenever possible, the Association shall perform its functions and carry out its duties by entering into agreements for the performance thereof with such persons and business entities regularly engaged in the performance of generally similar functions and duties as the Board shall determine, which agreements shall be for such length of time, at such rates of compensation and upon such other terms and provisions as the Board shall determine from time to time. The Association itself shall also have power to perform its functions and carry out its duties.

SECTION 3.06. The Association, through the resolutions of the Board, shall have the right to adopt rules and regulations governing the Townhome Units and the uses thereof.

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

ARTICLE IV *Common Area*

SECTION 4.01. Every Member shall have right and easement in, over, upon and to the Common Area for purposes of vehicular and pedestrian ingress and egress and use of the open spaces and other common facilities and the Common Area shall be held for the use and benefit of each Member, and such easement shall be appurtenant to and shall pass with the title to every Townhome Unit subject to the following provisions:

- (a) The Association shall have the right to dedicate or transfer all or any part of the Common Area or Limited Common Area to any public agency, authority, or utility

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subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication or transfer. In the event the Class B membership has ceased, then two-thirds (2/3) of the votes of the Class A membership shall be required to make such dedication or transfer effective.

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

(c) Each owner shall be entitled to the exclusive use and possession of that portion of the driveway falling within the Common Area which is contiguous to and serves his Townhome Unit except as otherwise provided herein.

SECTION 4.02. Each Owner and Owners of the Property legally described in Exhibit "A" attached hereto and by this reference made a part hereof and their tenants, guests and invitees shall have a right and easement in, over, upon and to the street located in the Common Area for the purpose of vehicular and pedestrian ingress and egress.

SECTION 4.03. The Association, upon a vote of two-thirds (2/3) of the Class B Members or if such membership has ceased, two-thirds (2/3) of the Class A membership, retains the right to dedicate easements over or upon the Common Areas and Limited Common Areas and the demised lots for the purpose of providing cable television service to the Units. Nothing contained herein, however, shall provide the right to enter within any Townhome Unit without the express consent of the Owner of any Townhome Unit.

SECTION 4.04. There shall be upon the Common Area such driveways as shall be necessary to provide ingress and egress to and from the Townhome Units for the use and benefit of the Owners of the Townhome Units and their guests and invitees, and such landscaping, and spaces for the parking of motor vehicles as the beneficiaries of the Declarant shall from time to time determine and shall be in compliance with such governmental laws, ordinances and regulations as shall be in effect during the development of the Property. There may also be upon the Common Area such facilities for the housing of tools, vehicles and equipment and such other structures and facilities as shall be reasonably necessary for the carrying out of duties imposed upon the Association hereunder, or as the Association may determine to erect from time to time.

SECTION 4.05. Intentionally Omitted

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SECTION 4.06. An easement is hereby granted to the Village of Schaumburg (the "Village") to go upon the Common Area and Limited Common Area for the purpose of providing police and fire protection services and maintaining and repairing those portions of the Common Area and Limited Common Area (street, sewer and water mains and lines, storm water detention and retention facilities, if any) which the Village shall deem to require maintenance or repair for the purpose of keeping (a) the street open for the passing of fire, police and other emergency vehicles, personnel and equipment from the date such notice is received; and (b) the sewer, water main lines and storm water retention and detention areas functioning properly. Except in the event of emergency situations, the Village shall serve written notice upon the Association setting forth the manner in which the Association has failed to maintain or repair the street, retaining walls, and storm water retention and detention facilities and said notice shall include a demand that such condition be cured within a reasonable number of days from the date such notice is received. If the deficiency has not been cured within a reasonable number of days or any extension thereof, the Village may exercise said easement by entering the Common Area and Limited Common Areas and performing such maintenance and repair. The Association shall reimburse the Village for all expenses incurred by it in performing such maintenance and repair. If the Association has not reimbursed the Village in full for all such expenses incurred by it within ninety (90) days after receipt of a bill detailing such expenses, the cost of such maintenance or repair not so reimbursed shall be assessed in equal shares against the Townhome Units, and shall become a lien upon such Townhome Units. Said easement shall be exercised only to the extent and for such period of time that the maintenance or repair is required to accomplish the purpose herein above mentioned.

SECTION 4.07. Any Member may delegate, in accordance with the Bylaws, his right to ingress and egress to the Common Area and Limited Common Area to the members of his family, occupants, guests, invitees, or contract purchasers who reside on the Property.

SECTION 4.08. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area, including the Limited Common Area, to the Association coincident with the conveyance of the Last Townhome Unit as contained in Exhibit "A" attached hereto free and clear of any mortgage liens of record subject, however, to the provisions of Section 4.01(a) hereof. Declarant shall reserve, upon conveyance to the Association of the Common Area, including the Limited Common Area, a perpetual and non-exclusive easement for egress and ingress in, to and from each Townhome Unit which it shall grant to each Townhome Unit upon the conveyance thereof.

SECTION 4.09. Declarant, its beneficiaries, agents, employees, guests and invitees shall have the right and easement for ingress and egress on, over, upon, under and across the Common Area and Limited Common Area for sale and construction purposes until Declarant has conveyed all of the Townhome Units to the purchasers thereof.

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SECTION 4.10.

- (a) The Association shall have the right and duty to build, construct, reconstruct, repair and maintain the Common Area, except the Limited Common Area.
- (b) The Association shall have the right of ingress and egress over and upon the Common Area and Limited Common Area for any and all purposes connected with the use, maintenance, construction, operation, repair and reconstruction of the Common Area.
- (c) The Association, through resolution of the Board, shall have the right to adopt rules and regulations governing the use, maintenance, construction, operation, repair, reconstruction and administration of the Common Area and Limited Common Area for the health, comfort, safety and general welfare of persons using the Common Area and Limited Common Areas.

SECTION 4.11. Notwithstanding any provisions herein to the contrary, the easements hereinafter created shall be subject to:

- (a) The right of the Declarant to execute all documents and do all other acts and things affecting the Property, which, in the Declarant's opinion, are desirable in connection with the Declarant's rights hereunder.
- (b) Easements of record on the date hereof, including each and every easement granted on the Plat of Subdivision for Arbor Glen recorded in the Office of the Recorder of Deeds of Cook County, Illinois. And any easements which may hereafter be granted by Declarant to any public utilities or governmental bodies for the installation and maintenance of electrical and telephone conduit, cable TV lines, gas pipes, sewers, water mains and pipes, or any other utility services servicing any Townhome Unit.

SECTION 4.12. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, or any part of the Common Area and Limited Common Areas to or for any public use or purpose whatsoever.

SECTION 4.13. The Common Area and Limited Common Areas will be subject to utility easements for sanitary and storm sewers, storm water detention and retention facilities, water, gas, electricity, telephone, cable TV and any other necessary utilities. If any such utilities are not installed or any easements not created for same prior to conveyance of the Common Area, including the Limited Common Areas, to the Association, the Association shall grant such easement or easements upon request of the Declarant. Alternatively, Declarant may elect to convey title to the Common Area, including the Limited Common Areas, subject to a reservation in favor of Declarant that it shall have the right thereafter to create such non-exclusive easements.

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SECTION 4.14. In the event that, by reason of the construction, settlement or shifting of any residential building now or hereafter located on the Property, any part of any such Townhome Unit encroaches or shall hereafter encroach on any part of the Common Area and Limited Common Areas, or, if by reason of the design or construction of any Townhome Unit, it shall be necessary or advantageous that such Townhome Unit or any portion of the Common Area and Limited Common Areas for any reasonable use appurtenant to said Townhome Unit, which will not unreasonably interfere with the use or enjoyment of the Common Area and Limited Common Area by the members of the Association and their guests and invitees, valid easements for the maintenance of such encroachment and for such use of the Common Area and Limited Common Areas is hereby established and shall exist for the benefit of such Townhome Unit and its owners and occupants thereof so long as all or any part of such Townhome Unit shall remain standing; provided, however, in no event shall a valid easement be created for any encroachment or use of the Common Area and Limited Common Areas in favor of any Townhome or any owner or occupant thereof if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Common Area and Limited Common Areas by the other members of the Association and their guests and invitees and if it occurred due to the willful conduct of any owner or owners of such Townhome Unit.

SECTION 4.15. All easements herein described are easements appurtenant running with the land and shall at all times inure to the benefit of and be binding on Declarant and all its grantees and their respective heirs, personal representatives, successors or assigns, perpetually in full force and effect. Reference in the respective deeds of conveyance, or in any mortgages, or trust deeds, or other evidence obligation, to the covenants, conditions, restrictions and easements herein described shall be sufficient to create and reserve such covenants, conditions, restrictions and easements to the respective grantees, mortgagees or trustees of any portion of the Property irrespective of the submission of any portion thereof to the provision of the Illinois Condominium Property Act as fully and completely as though said covenants, conditions, restrictions and easements were fully recited and set forth in their entirety in such documents.

SECTION 4.16. Except as otherwise provided in this Declaration, the Limited Common Area shall consist of all portions of the Common Area set aside and allocated for the restricted use of the particular Units. Without limiting the generality of the foregoing, the Limited Common Area shall include the following; (a) any patio, courtyard, deck, terrace, front stoop, stairway, landing or balcony, direct access to which is provided from a Townhome Unit; and (b) the land and landscaping located outside of and adjoining such Townhome Unit and which is located outside of and adjoining such Townhome Unit.

SECTION 4.17. Each Owner and Occupant shall have the right to the exclusive use and possession of the Limited Common Area serving exclusively the Townhome Unit of such Owner or Occupant, which right shall be appurtenant to and shall run with the title to such Townhome Unit, and shall not be separated from such Townhome Unit.

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ARTICLE V *Maintenance of Townhome Unit*

SECTION 5.01. The Association shall determine the need for and may carry out or cause to be performed all maintenance and repair to the exteriors of the Townhome Units including, without limitation, all walls, including the foundation thereof, front masonry steps, roofs, gutters, downspouts, glass surfaces, windows and patio doors, front entry and garage doors. The Association shall, in addition, carry out or cause to be performed all such maintenance and repair of all water, sewer, gas, telephone, cable TV, and electrical lines incorporated in and forming a part of the Townhome Units as originally constructed that services more than one Townhome Unit. The Association shall not maintain or repair any furnaces, water heaters, stoves, refrigerators, fireplaces, washing machines or household appliances, electrical fixtures, air conditioners, compressors, courtyard heating systems, fountains or any other portion of said unit which serves only one Townhome Unit or the interior of any Townhome Unit or portion thereof. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Townhome Unit is subject. The obligations of the Association as contained in this Section 5.01 shall be limited, however, to the extent that there are funds available in the Article VI hereof.

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

SECTION 5.03. Each Owner shall have the obligation to maintain in good condition and repair his Limited Common Area, including but not limited to any outside deck, balcony, patio or courtyard.. Upon the failure of any Owner to maintain those areas, though not the maintenance responsibility of the Association, the Association through its agents and employees, is hereby granted the right to enter upon the Townhome Unit and make such reasonable repairs, maintenance, rehabilitation or restoration of the premises as may be necessary, and the costs thereof shall become a lien upon the Townhome Unit in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments. The Association shall mow and maintain the lawns in all Limited Common Areas, excepting the watering of the lawns which shall be the responsibility of the Owners. The Association shall also contract to have snow removed from all walks and drives, excluding all courtyards, patios and balconies.

SECTION 5.04. The Association shall pay for all water bills incurred on the Property in the performance of its obligation. Each Owner shall be billed pursuant to a separate water meter installed in each Unit by the Village of Schaumburg for water and sewer.

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ARTICLE VI *Maintenance Assessments*

SECTION 6.01. The Declarant, for each Townhome Unit owner within the Property, hereby covenants, and each Owner of any Townhome Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) Initial Capitalization Fee as determined by Declarant; (2) annual assessments or charges; and (3) special assessments for capital improvements or such other improvements upon the Property, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Townhome Unit against which each such assessment is made. Each such assessment, together with such interests, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Townhome Unit at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless assumed by them.

SECTION 6.02. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents in the Property in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of such Common Area, and of the Townhome Units situated upon the Property. Such uses shall include, but are not limited to, the costs to the Association of all taxes, insurance, repair, replacement and maintenance of the Common Area and of the maintenance of the exteriors of the Townhome Units (except as otherwise provided herein) as may from time to time be authorized by the Board, and other facilities and for the grounds, landscaping, equipment, street lighting, if any, all sanitary and storm sewer and water lines, structures and appurtenances (other than those maintained by any governmental authority or utility company), storm water detention and retention facilities, fencing, if any, and other charges required by this Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements that the Board shall determine to be necessary or desirable to meet the primary purpose of the Association, including establishment and maintenance of a reserve for repair, maintenance, replacements, taxes and other charges as specified herein. In addition water, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Owners, shall be paid by the Association from the maintenance funds. In the event any utilities which benefit the Common Area are directly charged to any Owner, the Association will reimburse such Owner for any such expense. The Board reserves the right to levy additional assessments against any Owner to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund. At the time each Townhome Unit is first occupied, the Owner shall pay (in addition to the first monthly installment) to the manager or managing agent, or as otherwise directed by the Board an amount equal to three times the first full monthly assessment for such Owner, which amount shall be used and applied as a reserve for replacements in the manner herein provided. In the event, however, that the Board determines that there exists a surplus in

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the replacement reserve, the Board shall have the authority to transfer such funds into the operating account to fund any deficiency in said account.

SECTION 6.03. The Board shall be authorized to fix the annual assessment in an amount sufficient to meet the costs and expenses as contained in Section 6.02 hereof.

SECTION 6.04. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement (including those items of maintenance and repair set forth in Section 5.01 hereof) of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, if any.

SECTION 6.05. Both annual and special assessments must be fixed at a uniform rate for all Townhome Units, except for certain Townhome Units as provided in Section 6.09 hereof, and shall be collected on a monthly basis.

SECTION 6.06. The annual assessments provided for herein shall commence for all Townhome Units within the Property on the first day of the month following the conveyance of the first Townhome Unit, except as otherwise provided in Section 6.09 hereof. The Board shall fix the amount of the annual assessment against each Townhome Unit at least thirty (30) days in advance of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed amount of annual assessment shall be due on the first day of each month.

The first Owner after Declarant shall be liable for payment of the Initial Capitalization Fee upon conveyance of his Townhome Unit title to him. This payment shall be in addition to the prorated portion of the monthly assessment which Owner shall pay as of the date title to his Townhome Unit is conveyed. The Association shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association setting forth whether the assessments on a specified Townhome Unit have been paid and, if not paid, the amount of any such deficiency. Such certificate shall be conclusive evidence of payment of any assessment therein, and the Association shall be entitled to a reasonable fee for the issuance of the certificate.

SECTION 6.07. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a monthly interest rate equal to one and one-half percent (1 ½%) and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the respective Townhome Unit and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Townhome Unit, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods

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available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property.

SECTION 6.08. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage now or thereafter placed on the Townhome Units provided, however prior assessments with respect to a Townhome Unit which become due and payable subsequent to the date holder of said mortgage takes possession of the Townhome Unit, accepts a conveyance of any interest in the Townhome Unit or has a receiver appointed in a suit to foreclose his lien shall have priority.

SECTION 6.09. With regard to any Lots upon which Townhome Units are constructed and which are owned by Declarant, the assessment respecting any such Townhome Unit shall be limited to the pro rata share of the aggregate amount of actual operating expenses with respect to such unoccupied Townhome Units, provided, however, that in the event Declarant enters into a lease or installment contract for any Townhome Unit, then Declarant shall be responsible for the payment of assessments on those Townhome Units on the same basis as any other Owner provided in Section 6.01 hereof. Actual operating expenses shall include but not be limited to those ordinary expenses covering the common area landscaping, plowing, drive maintenance, lighting, watering, insurance, real estate taxes, management fees, street repairs, and general maintenance and operation of the Property but shall not include capital expenditures, amounts set aside as a reserve for contingencies or replacements, prepaid items or inventory items to the extent attributable to subsequent periods, or services which are not rendered and not charged only because a Unit is unoccupied, such as management fee, scavenger service, water and janitorial. The prorata share covering the Townhome Units which have not been sold by the Declarant may be paid on a monthly basis or, at Declarant's option, paid to the Association at the close of each calendar year without interest. There shall be no assessments with respect to any Lot until such time as Declarant (or other Owner) shall receive a Certificate of Occupancy from the Village with respect to that Lot.

ARTICLE VII

Insurance

SECTION 7.01. The Association shall be responsible for procuring and maintaining comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring the Association from liability in connection with the ownership and/or use of the Common Area. The Association shall be further responsible for maintaining such policies of insurance for the Common Area against loss or damage by fire and such other hazards contained in the customary fire and extended coverage, vandalism and malicious mischief endorsements as the Association may deem desirable provided that such policies shall (i) provide that such policies may not be cancelled or substantially modified without at least ten (10) days written notice to the Association and all mortgagees of record of the Common Area; (ii) provide that all mortgagees of record of the Common Area shall have the right to pay overdue insurance premiums and to obtain a new coverage in the event the existing insurance

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policy lapses; (iii) provide for coverage in the amount of one hundred percent (100%) of full replacement value; (iv) contain standard mortgage clause endorsements in favor of the mortgagee(s) of the Common Area, as their respective interests may appear. The Association may also obtain such other kinds of insurance as the Association shall from time to time deem prudent.

SECTION 7.02. Each Owner shall procure and maintain in full force at all times, insurance covering his Townhome Unit consisting of, or providing all the protection afforded by, the insurance now generally described as fire, extended coverage, additional extended coverage, vandalism and malicious mischief, to one hundred percent (100%) of full replacement value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation, less a deductible amount of no more than five hundred dollars (\$500) and naming the Association as a co-insured on each policy. Such insurance shall be written by companies reasonably acceptable to the Association. A certificate of insurance evidencing such coverage shall be furnished to the Association and new certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association in each case at least ten (10) days prior to the expiration date of the expiring insurance. In the event the Townhome Unit or any portion thereof shall be damaged or destroyed by fire or other casualty, the Owner shall cause it to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good as condition as existed immediately prior to such damage or destruction and in the same architectural style and design as originally constructed by the beneficiaries of the Declarant and shall conform in all respects to the laws or ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. In the event of the total or substantial destruction of all of the Townhome Units, the architectural design of the Townhome Units to be rebuilt and the materials to be used in constructing the same shall be agreed upon among the Owners thereof, and in the absence of agreement, the rebuilt Townhome Units shall be substantially similar in architectural design as the original Townhome Units and shall be constructed of comparable materials.

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

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

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

SECTION 7.06. In any case in which the Owner or Owners concerned shall fail to carry out and see to the repair, restoration or rebuilding required by the provisions of this Article VII, the Association shall cause such repairs or rebuilding to be furnished, provided and installed, in the manner as set forth in Section 7.03 hereof provided, however, that to the extent the insurance proceeds referred to in Section 7.02 are insufficient as to any Townhome Unit, the particular Owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby granted, a continuing lien on the Townhome Unit for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the cost thereof, (b) interest at a per annum rate equal to the sum of one and one-half percent (1 ½%) per month from the date of the Association's payment of such costs; and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall bind such Townhome Unit in the hands of such Owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien may be foreclosed against the Townhome Unit by the Association in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien in this Section 7.06 provided for shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Townhome Unit.

SECTION 7.07. In the event of any damage or destruction to the exterior portion of a Townhome Unit and the loss is covered by policies of insurance, and the Owner or Owners fail to settle or adjust any such claim, within a reasonable time, without reasonable cause, then after due notice to said Owner or Owners the Board shall have the authority to settle and adjust any claim under such policies without the consent of the respective Owner.

ARTICLE VIII *Interim Procedure*

SECTION 8.01. Until Townhome Units shall have been conveyed by the Declarant to the first Owner thereof (or to such Owner's nominee) the Declarant shall, with respect to each such unsold Townhome Unit, have all the rights granted to the Owners.

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

SECTION 8.03. The powers granted to the Declarant by Section 8.02 hereof shall include, without limitation, the power to assess upon and collect from the individual Owners,

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their respective proportionate shares of the funds required for the carrying out of all the duties and obligations of the Association.

ARTICLE IX *Restrictions*

SECTION 9.01. All buildings or structures on the property shall be of new construction.

SECTION 9.02. Each Townhome Unit conveyed shall be designated by a separate legal description and shall constitute a freehold estate subject to the terms, conditions and provisions hereof.

SECTION 9.03. The Townhome Units shall be used only for residential purposes, as a private residence, and no professional business or commercial use shall be made of the same, or any portion thereof or resident's use of a Townhome Unit endanger the health or disturb the reasonable enjoyment of any other Owner or resident, except as provided in Section 4.01(b) herein and provided further, that the Townhome Unit restrictions contained in this Section shall not be construed in such a manner as to prohibit an Owner from (a) maintaining his personal professional library therein; (b) keeping his personal, business or professional records or accounts therein; (c) handling his personal business or professional telephone calls or correspondence therefrom; or (d) conducting incidental commercial activities such as giving piano lessons.

SECTION 9.04. No building other than Townhome Units originally constructed by Declarant or its assigns shall be constructed on each Lot.

SECTION 9.05. Except as hereinafter provided in Section 9.07 hereof, no structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuildings shall be used as a residence at any time, either temporarily or permanently.

SECTION 9.06. No advertising sign or "for sale" sign, billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on a Townhome Unit except as provided in Section 9.07 hereof.

SECTION 9.07. The foregoing covenants of this Article IX shall not apply to the activities of the Declarant. The beneficiaries of the Declarant may maintain, while engaged in the construction and sales activities, in or upon such portions of the Property as said beneficiaries determine, such temporary facilities as in its sole discretion may be necessary or convenient, including, but without limitation, offices, storage areas, model units, signs and construction trailers.

SECTION 9.08. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Townhome Unit, except dogs, cats or other common household pets (not to exceed a

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total of two (2) pets may be kept, provided, that they are not kept, bred or maintained for any commercial purposes. Owners are responsible for removing all animal waste generated by their pets. Dogs must be attended by their owners and restrained by a leash.

SECTION 9.09. All rubbish, trash or garbage, including trash containers, shall be kept in the interior of the Townhome Units so as not to be seen from neighboring Townhome Units and streets, and shall be regularly removed from the Property, and shall be not allowed to accumulate thereon.

SECTION 9.10. Drying of clothes shall be confined to the interior of the Townhome Units.

SECTION 9.11. Without prior written authorization of the Board, no television, radio antennas, or electronic equipment of any sort shall be placed, allowed or maintained on the exterior of any Townhome Unit or any portion of the exterior of the improvements located on the Property, nor upon any structure situated upon the Property.

SECTION 9.12. An Owner shall do no act nor any work that will impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other properties or their owners.

SECTION 9.13. There shall be no change in any exterior color of any Townhome. All drapes or shades shall have a white back visible from the exterior of any building.

SECTION 9.14. No nuisance, odors or offensive activity shall be conducted on the Property nor shall anything be done therein, either willfully or negligently, which may become an annoyance or nuisance to the Owners.

SECTION 9.15. Each lot is subject to an easement to and in favor of the Association and each and all of its employees, agents, and instrumentalities to go upon such Lot for reasonable inspection thereof from time to time and for the purpose of carrying out any and all of the obligations and functions with respect to such Lot and the Townhome Units located thereon as are herein imposed upon or permitted to an easement in favor of any adjoining Lot to the extent necessary to permit the maintenance, supply, repair, and servicing of utility services to the various Lots and Townhome Units located thereon.

SECTION 9.16. The Owner of each Townhome Unit shall from time to time grant such additional easements and rights over, across, on, under and upon his Townhome Unit as may be reasonably necessary in connection with the Supply of any of the utilities described in Section 4.12 hereof to any part of the Property.

SECTION 9.17. The Board may adopt such other rules and regulations from time to time governing the use and enjoyment of the Common Area and Limited Common Areas and the use of the Townhome Units as the Board, in its sole discretion, deems appropriate or necessary.

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SECTION 9.18. Garages and driveways shall be used for parking operable automobiles only and shall not be used for campers, trailers, commercial vehicles, snowmobiles, boats or for any other purposes. All other parking areas and spaces are reserved for guests. The Board may authorize such vehicles parked in violation of this provision to be towed away and any such towing charge shall become a lien upon the Townhome Unit of the owner of the vehicle in the same manner Article VI hereof for non-payment of maintenance assessments.

SECTION 9.19 Each Lot and the Common Area and Limited Common Areas is hereby subjected to a permanent easement appurtenant to any adjoining Lot to permit the construction, existence, maintenance, repair and restoration of structures located on such adjoining Lot, including roof structures which overhang and encroach upon the servient lot or Common Area, provided that the construction of such structure is permitted and approved as elsewhere herein provided. The owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to maintain, repair and restore any improvements located on the dominant tenement provided, however, that such entry shall be allowed only during daylight hours and with the prior knowledge of the owner of the servient tenement. In case of emergency, such right of entry shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the owner of the servient tenement. The owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the owner of the dominant tenement granted by this Section 9.19. Any such improvement, material or obstacle shall be promptly removed by the owner of the servient tenement at the owner's expense when requested by the owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area.

SECTION 9.20. No building, fence, wall or other structure or landscaping shall be commenced, erected or maintained upon the Property.

SECTION 9.21. Until such time as title to any Townhome Unit is conveyed to a bona fide purchaser, the Declarant reserves the right to lease such Townhome Units upon such terms and conditions as the Declarant may, in its sole discretion approve.

SECTION 9.22. Each Townhome Unit shall be an owner occupied residence. Any Owner shall have the right to lease all (but not less than all) of their Townhome Unit upon such terms and conditions as the Owner may deem advisable. Any such lease shall be in writing, a copy of which must be delivered to the Association, and shall provide that the lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease.

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ARTICLE X *Party Walls*

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

SECTION 10.02. No owner of any Townhome Unit nor any successor in interest to any such owner shall have the right to extend said party wall in any manner, either in length, height or thickness.

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

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

SECTION 10.05. The title of each Owner to the portion of each party wall within such Townhome Unit is subject to a cross easement in favor of the adjoining owner for joint use of said wall.

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ARTICLE XI *Miscellaneous*

SECTION 11.01. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Any Owner found to be in violation by a court of competent jurisdiction of any of the foregoing shall also be liable for reasonable attorney's fees incurred by the Association in prosecuting such action. The amount of such attorney's fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Owner's Townhome Unit, enforceable as other liens herein established. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 11.02. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, all of which shall in fact remain in full force and effect.

SECTION 11.03. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Owner of any Townhome Unit subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended as successive periods of ten (10) years, subject to amendment as hereinafter set forth. The covenants and restrictions of this Declaration may be amended during the first fifty (50) year period or within any subsequent successive ten (10) year period by an instrument signed by those Members (Class A and Class B) entitled to cast seventy-five percent (75%) of the total votes as provided in Article III, Section 3.01 hereof and then properly recorded. These covenants and restrictions may also be cancelled or amended by an instrument signed by sixty percent (60%) of Owners executed, acknowledged and recorded within ninety (90) days of expiration of any successive ten (10) year period, such cancellation or amendment to be effective on the date of commencement of the ten (10) year period in question. Any instrument executed pursuant to the provisions contained herein shall be filed for record in a true, complete copy of such instrument shall be transmitted to each Owner promptly.

SECTION 11.04. In the event and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting restraints on alienation, or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provision concerned shall continue and endure only until the expiration of a

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period of Twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of George W. Bush, President of the United States of America and her Majesty, Elizabeth II, Queen of England, living at the date of this Declaration; provided however that Declarant does hereby waive any such rule to the extent permissible under applicable law.

SECTION 11.05. Any notices required to be sent to any member of the Association or to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid to the last known address of such Member or Owner as it appears on the records of the Association at the time of such mailing.

SECTION 11.06. If at any time or times the Board shall deem it necessary or advisable to prerecord this Declaration or any part hereon in the Office of the Recorder of Deeds of Cook County, Illinois, in order to avoid the expiration hereof or of any of the covenants, easements, agreements or other provisions herein contained under any of the provisions of Section 13-114, Chapter 110 of the Illinois Revised Statutes presently in force commonly known as the Marketable Title Act, or any other law or statute of similar purport, they shall submit the matter to a meeting of Members called upon not less than ten (10) days' notice, and unless at such meeting at least two-third (2/3) of Members shall vote against such prerecording, the Association shall have, and is hereby granted, power to so prerecord this binding upon all Owners of any part of the Property in every way and with all the full force and effect as though such action were taken by each of said Owners and prerecorded document executed and acknowledged by each of them.

SECTION 11.07. All the easements, rights, covenants, agreements, reservations, restrictions and conditions herein contained shall run with the land and shall inure to the benefit of and be binding upon Declarant and each subsequent holder of any interest in any portion of the Property and their grantees, heirs, successors, personal representatives and assigns with the same full force and effect for all purposes as though set forth at length in each and every conveyance of the Property or any part thereof. Reference in the respective deeds of conveyance, or in mortgage or trust deed or other evidence of obligation, to the easement and covenants herein described shall be sufficient to create and reserve such easements and covenants were fully recited and set forth in their entirety in such documents.

SECTION 11.08. In amplification of and in addition to the provisions contained in Article VI, Section 6.07, in the event of any default of any Owner, the Association may and shall have the right and remedy as shall otherwise be provided or permitted by law, including the right to take possession of such Owner's interest and Townhome Unit for the benefit of all other Owner's by an action for possession in the manner prescribed in Article IX (Forcible Entry and Detainer) of the Illinois Code of Civil Procedure, Illinois Revised Statutes, Chapter 110, Section 9-101, et seq.

SECTION 11.09. Notwithstanding anything in the Declaration to the contrary, with regard to the provisions of Section 11.03 dealing with the method of amending the Declaration

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and Section 608 which expressly subordinates the lien of the Association for unpaid assessment to the lien of any first mortgage on any Townhome Unit, no amendment to, change or modification of these Sections shall be effective unless such change or amendment shall be first consented to, in writing, by all mortgagees of record of such Townhome Units.

SECTION 11.10. In the event that any part of any Townhome Unit as originally constructed by the beneficiaries of the Declarant encroaches or shall hereafter encroach upon any part of any other Lot or the Common Area, valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of the same shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Townhome Unit of another Owner and if it occurred due to the willful conduct of any Owner.

SECTION 11.11. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class cooperative housing development.

ARTICLE XII *General Provisions*

SECTION 12.01. *Certain Rights of the Declarant.* Until the time established by the Declaration for the election of the initial Board by the Unit Owners, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board in the Act and in this Declaration shall be held and performed by the Declarant. If the initial Board shall not be elected by the Unit Owners at the time established by this Declaration, the Declarant shall continue in the aforesaid office for a period of thirty (30) days after written notice of its resignation is sent to all of the Unit Owners entitled to vote at such election. In exercising such rights, and the other rights reserved by the Declarant pursuant to this Declaration, the Declarant shall not be under any disability which would otherwise be imposed by law by reason of the Declarant's interest in the subject matter of any transaction, provided, however, that any such transaction shall have been entered into in good faith.

SECTION 12.02. *Notice to Mortgagees.* Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any Unit Ownership shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Unit Owner whose Unit Ownership is subject to such mortgage or trust deed.

SECTION 12.03. *Notices to Estate Representatives.* Notices required to be given any devisee, heir or personal representative of a deceased Unit Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased Unit Owner is being administered.

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SECTION 12.04. *Conveyance and Leases.* Each grantee of the Declarant and each subsequent grantee by the acceptance of a deed of conveyance, and each purchaser under Articles of Agreement for Deed and each tenant under a lease for a Unit, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having at any time an interest or estate in the Property, and shall inure to the benefit of such Unit Owner in like manners as though the provisions of the Declaration were recited and stipulated at length in each and every deed of conveyance.

SECTION 12.05. *No Waivers.* No covenants, restrictions, conditions obligations or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

SECTION 12.06. *Change, Modification or Rescission.* No provision of this Declaration affecting the rights, privileges and duties of the Declarant may be modified without its written consent. The change, modification or rescission shall be effective upon recordation of such instrument in the Office of the Recorder of Deeds of Cook County, Illinois; provided, however, that no such change, modification or rescission shall change the boundaries of any lot, the allocation of percentages of ownership in the Common Elements and votes in the Association, quorum and voting requirements for action by the Association, or liability for Common Expenses assessed against any Townhome Unit, except to the extent authorized by other provisions of this Declaration or by the Act.

SECTION 12.07. *Special Amendment.* Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans' Administration, or any other governmental agency or any other public, quasi-public, or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Act, or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto and any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Amendment on behalf of each Unit Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute the record Special Amendments. The right of the Declarant to act

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pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to a Unit.

SECTION 12.08. Assignments by Declarant. All rights which are specified in this Declaration to be rights of the Declarant are mortgageable, pledgable, assignable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No party exercising rights as Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

IN WITNESS WHEREOF, the Declarant, Arbor Glenn Development Corporation, has caused its name to be signed to these present on the day and year first above written.

DATED: August 6, 2003

Arbor Glenn Development Corporation,
an Illinois Corporation

By: _____

Its: President

STATE OF ILLINOIS)
COUNTY OF KANE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that George Caravelli, President, of Arbor Glen Development Corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such appeared before me this day in person and acknowledged that he signed and delivered the said instrument as their free and voluntary act, and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth

Given under my hand and official seal this 6th day of August, 2003.

Nancy R Caravelli
Notary Public



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EXHIBIT A

LEGAL DESCRIPTION

**ARBOR GLEN BEING PART OF THE WEST HALF OF THE
SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 41 NORTH,
RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS.**

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EXHIBIT B

BYLAWS

ARBOR GLENN HOMEOWNERS' ASSOCIATION

ARTICLE I BOARD OF DIRECTORS

1. **Board of Directors.**

(a) The direction and administration of the Property shall be vested in a Board of Directors, consisting of no less than three (3) persons who shall be appointed or elected in the manner herein provided. Each member of the Board shall be one of the Townhome Unit Owners and shall reside on the Property, provided, however, that in the event a Townhome Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer, director or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board, provided such person must reside on the Property unless he is a Board member nominated by the Declarant.

(b) At the initial meeting the Voting members shall elect no less than three (3) Board Members. In all elections for members of the Board, each Voting Member shall be entitled to accumulate his votes in the manner provided by law and the candidate receiving the highest number of votes with respect to the number of officers to be filled shall be deemed to be elected. Members of the Board elected at the initial meeting shall serve until the first annual meeting. Not less than three (3) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of one (1) year. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of one (1) year each. The Voting Members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the term of office of Board Members at any annual or special meeting, provided that such number shall not be less than three (3) and that the terms of at least one-third (1/3) of the persons on the Board shall expire annually. Members of the Board shall receive no compensation for their services, unless expressly authorized by the Board with the approval of Voting Members having two-thirds (2/3) of the total votes. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board, shall be filled by the Voting Members present at the next annual meeting or at a special meeting called for such purpose. Except as otherwise provided in this Declaration, the Property shall be managed by the Board. The Board shall act by majority of the total number of the members of the Board which shall constitute a quorum. Meetings of the Board may be called, held and conducted in accordance with such resolutions as the Board may adopt.

(c) The Board shall elect from among its members a President who shall preside over both its meetings and those of the Voting Members, and who shall be the chief executive officer of the Board and the Association and who shall execute amendments to the Townhome

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Association instruments, a Secretary who shall keep the minutes of all meetings of the Board and the Voting Members, who shall mail and receive all notices, and who shall, in general perform all the duties incident to the office of Secretary; a Treasurer to keep the financial records and book of account, and such additional officers as the Board shall see fit to elect.

(d) Any Board Member may be removed from office by affirmative vote of the Voting Members having at least two-thirds (2/3) of the total votes, at any special meeting called for that purpose. A successor to fill the unexpired term of a Board Member removed may be elected by the Voting Members at the same meeting or any subsequent annual meeting or special meeting called for that purpose.

(e) The Board shall meet at least four (4) times annually, during February, May, August and November and at such other times as the Board deems necessary. Meetings of the Board shall be open to any Townhome Unit Owner. Notice of any such meeting shall be mailed or delivered at least forty-eight (48) hours prior thereto unless a written waiver of such notice is signed by the person or persons entitled to such notice. Notice of any such meeting shall be posted in a conspicuous place on the premises at least forty-eight (48) hours prior thereto.

2. **General Powers of the Board.** The powers and duties of the Board of Directors shall include, but shall not be limited to, the following matters:

- (a) operation, care, upkeep, maintenance, replacement and improvement of the Common Elements including the sanitary sewer lines running from the municipal sanitary sewer connection to each individual Townhome Unit's service;
- (b) preparation, adoption and distribution of the annual budget for the property;
- (c) levying of assessments;
- (d) collection of assessments from Townhome 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 Townhome Units conveyed to or purchased by it;
- (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;

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- (j) to have access to each Townhome 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 other Townhome Unit or Townhome Units;
- (k) to pay for water, waste removal, other operating expenses, electricity, telephone and other necessary utility service for the Common Elements;
- (l) to pay for landscaping, lawn maintenance and mowing, snow removal from all drives and walks, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the outer-doors and windows of the Townhome Units and the Common Elements and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper (but shall not include the interior surfaces of the Townhome Units).
- (m) to pay for any materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board is required to secure or pay for pursuant to the terms of the Declaration or Bylaws or which in its opinion shall be necessary or proper for the maintenance and operation of the Property, as a first class Townhome Development or for the enforcement of these restrictions;
- (n) to pay any amount necessary to discharge any mechanic's lien or other encumbrance against the entire Property or any part thereof which may in the opinion of the Board constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Townhome Unit Owners. Where one or more Townhome 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 Board by reason of said lien or liens shall be specially assessed to said Townhome Unit Owners;
- (o) to maintain all sanitary sewers, building drains and water lines, detention and retention facilities.
- (p) to maintain and repair the total exterior of the building except owner shall be liable for any repair necessary as a result of Owner's, Owner's agent or Owner's Invitees negligence. To maintain and repair any Townhome Unit if such maintenance or repair is necessary, in the discretion of the Board to protect the Common Elements or any other portion of the Building and a Townhome Unit Owner of any Townhome Unit that has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair mailed or delivered by the Board to said Townhome Unit Owner, provided that the Board shall levy a special assessment against such Townhome Unit Owner for the cost of said maintenance or repair;
- (q) the Board or its agent upon reasonable notice may enter any Townhome Unit when necessary in connection with any maintenance or construction for which the Board is

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responsible. Such entry shall be made with as little inconvenience to the Townhome Unit Owner as practicable, and any damage caused thereby shall be repaired by the Board as a common expense;

- (r) the Board's powers hereinabove enumerated and described in the Declaration shall be limited in that the Board shall have no authority to acquire and pay for any structural alterations, additions to, or improvements of the Common Elements (other than for purposes of replacing or restoring portions of the Common Elements, subject to all the provisions of this Declaration requiring an expenditure in excess of Two Thousand Five Hundred Dollars (\$2,500.00) without in each case the prior approval of three-fifths (3/5) of the Board;
- (s) all agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board.
- (t) the Board may adopt such reasonable rules and regulations, not inconsistent herewith, as it may deem advisable for the maintenance, administration, management, operation, use, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Townhome Unit Owners and Occupants of the Property. Written notice of such rules and regulations shall be given to all Townhome Unit Owners and Occupants and the entire Property shall at all times be maintained subject to such rules and regulations;
- (u) the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board. However, all management agreements shall be cancelable within ninety (90) days notice without cause and thirty (30) days notice with cause;
- (v) nothing hereinabove contained shall be construed to give the Board, Association, or Townhome Unit Owners authority to conduct an active business for profit on behalf of all Townhome Unit Owners or any of them;
- (w) upon authorization by the affirmative vote of not less than a majority of the Voting Members at a meeting duly called for such purposes, the Board, acting on behalf of all Townhome Unit Owners, shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, of any other lawful taxing assessed and levied on real property and to charge and collect all expenses incurred in connection therewith as common expenses;
- (x) the Board shall have blanket fidelity bonds for anyone who handles, or is responsible for funds held or administered by the Association. Any management agent that handles funds for the Owners Association shall also be covered by its own fidelity bond. The

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fideliy bond coverage must equal the sum of three (3) months assessments on all Townhome Units in the property, plus the Association reserve funds;

(y) Each Townhome Unit Owner shall receive notice, in the same manner as is provided for membership meetings, of any meeting of the Board of Directors concerning the adoption of the proposed annual budget or any increase, or establishment of an assessment.

ARTICLE II MEMBERS - TOWNHOME UNIT OWNERS

1. **Voting Rights.** There shall be one person with respect to each Townhome Unit Ownership who shall be entitled to vote at any meeting of the Townhome Unit Owners. Such Voting Member shall be Owners of a Townhome Unit Ownership or may be some person designated by such Townhome Unit Owners to act as proxy on his or their behalf and 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 Townhome Unit Owner or Townhome Unit Owners. Any or all Townhome Unit Owners or a Townhome Unit Ownership, and their designee, if any, may be present at any meeting of the Voting Members, but only the Voting Member of the Townhome Unit Ownership 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, upon conveyance of the last Townhome Unit, shall be thirty (30). The trustee shall designate the Voting Member with respect to any Townhome Unit Ownership by the Trustee.

2. **Meeting.**

(a) Meetings of the Voting Members shall be held at the Property or at such other place in Cook County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the Voting Members of at least a majority of the Voting Members and Voting Members having at least a majority of the total votes shall constitute a quorum. Unless other-wise expressly provided herein, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes represented at such meeting.

(b) The initial meeting of the Voting Members shall be held upon written notice, not less than twenty-one (21) days given by the Trustee or Developer. Notice may be given at any time but must be given not later than sixty (60) days after twenty four (24) Townhome Units are conveyed. Thereafter, there shall be an annual meeting of the voting members in February of each year.

(c) Special meetings of the Voting Members may be called at any time for the purpose of considering matters which, by the terms of this Declaration, require the approval of a majority of the present voting members, or for any other reasonable purpose. Said meetings shall be called pursuant to written notice, authorized by a majority of the Board, or by six (6)

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Voting Members. The notices shall specify the date, time and place of the meeting and the matters to be considered. Matters to be considered are to be submitted to the Board of Directors, at least ten (10) days prior to the special meeting, who shall then submit the matters to the Voting Members.

3. **Notices of Meetings.** Notices of meetings required to be given herein, may be delivered either personally or by mail to the Voting Members, addressed to each such person at the address given by him to the Board for the purposes of service of such notice.

ARTICLE III

ASSESSMENTS - MAINTENANCE FUND

1. **Annual Budget Assessments.** Each year at least thirty (30) days before the November meeting, the Board shall provide an estimate of the total amount necessary to pay the cost of all common expenses which will be required during the ensuing calendar year for the rendering of all services, together with a reserve for contingencies and replacements in the form of an annual budget. The annual budget shall set forth with particularity all assessments and other income. The budget shall also set forth each Townhome Unit Owner's proposed common expense assessment. Each Townhome Unit Owner shall receive at least thirty (30) days prior to the adoption thereof by the Board of Directors, a copy of the proposed annual budget; the annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the Common Elements, if any. The "estimated annual budget" shall be assessed to the Townhome Unit Owners according to each Townhome Unit Owners' percentage of ownership in the Common Elements. Each Townhome Unit Owner shall receive notice in the same manner as is provided in this Declaration for membership meetings, of any meeting of the Board of Directors concerning the adoption of the proposed annual budget or any increase, or establishment of an assessment; unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. On or before January 1, of the ensuing year, and the first of each and every month of said year, said Townhome Unit Owner jointly and severally shall be personally liable for and obligated to pay to the Board or as it may direct one-twelfth (1/12) of the assessment against his Townhome Unit Ownership made pursuant to this Section. On or before April 1 of each calendar year following the year in which the initial meeting is held, the Board shall supply to all Townhome Unit Owners an itemized accounting of the common expenses for the preceding year actually incurred and paid, together 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 shall be credited according to such Townhome Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due from Townhome Unit Owners under the current year estimate, until exhausted, and any net shortage shall be added according to each Townhome Unit Owner's percentage of ownership in the Common Elements to the installments due in the succeeding six (6) months after rendering of the account.

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2. **Reserve and Adjustments.** The Board shall establish and maintain a reasonable reserve for contingencies and replacements. Any extraordinary or non-recurring common expense, any common expense not set forth in the budget as adopted, and any increase in assessments over the amount adopted shall be separately assessed against all Townhome Unit Owners. Any such separate assessment shall be subject to approval by the affirmative vote of at least two-thirds (2/3) of the Townhome Unit Owners voting at a meeting such Townhome Unit Owners duly called for the purpose of approving the assessment if it involves proposed expenditures resulting in a total payment assessed to a Townhome Unit Owner equal to six (6) times the Townhome Unit's most recent common expense assessment calculated on a monthly basis. All Townhome Unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount. At the time of conveyance of each Townhome Unit the Owner shall deposit with the Association three (3) months assessment to be used in accordance with Section 6.02 of the Declaration. These funds should not be considered advanced payment of the monthly assessment fee.

3. **Initial Estimate of Annual Budget.** When the first Board elected or appointed hereunder takes office it shall determine the "estimated annual budget" as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against the Townhome Unit Owners during said period as provided in Section 1 of this Article.

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

5. **Books and Records.** The Board shall keep full and correct books of account in chronological order of the receipt and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Townhome Unit Owner or any representative of a Townhome Unit Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Townhome Unit Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Townhome 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 Townhome Unit Owner. All mortgagees of the Townhome Units shall have the right to inspect the books at reasonable time or times during normal business hours.

6. **Use of Funds.** All funds collected hereunder shall be held and expended for the purpose designated herein and (except for such special assessments as may be levied hereunder

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against less than all the Townhome 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 Townhome Unit Owners.

7. **Insurance.** Any insurance premiums assessed on a basis reflecting increased charges for coverage on certain Townhome Units shall be assessed to such Townhome Unit Owner.

8. **Assessments.** If a Townhome Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for sixty (60) days, the members of the Board may bring suit for and on behalf of themselves and as representatives of all Townhome Unit Owners, to enforce collection thereof or to foreclose the lien therefore as hereinafter provided; and there shall be added to the amount due the costs of said suit, and other fees and expenses together with legal 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 Townhome Unit Ownership of the Townhome Unit Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Such lien shall take effect and be in force when and as provided in the Act; provided, however, that encumbrances owned or held by any bank, insurance company, savings and loan association nor other lenders including all mortgage holders 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 Townhome Unit Ownership which become due and payable subsequent to the date the encumbrance either takes possession of the Townhome Unit, accepts a conveyance of any interest in the Townhome Unit Ownership, or has a receiver appointed in a suit to foreclose its lien, or obtains Judicial/Sheriff's Deed pursuant to termination of the redemption period. In addition to the foregoing, the Board or its agents shall have such other rights and remedies to enforce such collection as shall otherwise be provided or permitted by law from time to time. Without limiting the generality of the foregoing if any Townhome Unit Owner shall fail to pay their proportionate share of the Common Expenses or of any other expenses required to be paid hereunder when due, such rights and remedies shall include: (1) the right to enforce the collection of such defaulting Townhome Unit Owner's share of such expenses (whether due by acceleration or otherwise), together with interest thereon, at the maximum rate permitted by law and all fees and costs (including reasonable attorney's fees) incurred in the collection thereof, (2) the right by giving such defaulting Townhome Unit Owner ten (10) days written notice of the election of the Board to do so, to accelerate the maturity of the unpaid installments of such expenses accruing with respect to the balance of the assessment year.

9. **Non-use.** No Townhome Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Townhome Unit.

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ARTICLE IV COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

The Townhome Units and Common Elements shall be owned, occupied and used subject to the following covenants and restrictions:

1. **General Use.** No part of the Property shall be used for other than housing and related common purposes for which the Property was designed allowing for the exceptions contained in Section 9.03 of the Party Wall Rights, Covenants and Easements of Arbor Glenn Townhomes. Each Townhome Unit or any two or more adjoining Townhome Units used together shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purpose. The part of the Common Elements separating any two or more adjoining Townhome Units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining Townhome Units in such manner and upon such conditions as shall be determined by the Board in writing.
2. **Obstruction of Common Elements and Townhome Unit Maintenance.** There shall be no obstruction of the Common Elements nor anything be stored in or on the Common Elements, nor shall anything be stored in the Common Elements without prior consent of the Board except as herein expressly provided. This provision does not apply to standard utility providers with respect to easements granted to same. Each Townhome Unit Owner shall be obligated to maintain and keep in good order his own Townhome Unit.
3. **Prohibitive Use.** Nothing shall be done or kept in any Townhome Unit, or in or on the Common Elements which will increase the rate of insurance for residential use, without the prior written consent of the Board. No Townhome Unit Owner shall permit anything to be done or kept in his Townhome Unit, or in or on the Common Elements which will result in the unusual increase of rates for or cancellation of insurance on the Building, or contents thereof or which would be in violation of any law. No waste shall be committed in the Common Elements. No Townhome Unit Owner shall overload the electric wiring in the building, or operate any machines, appliance, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any unusual machines, appliances, accessories or equipment to the heating or plumbing system without the prior written consent of the Board.
4. **Townhome Unit Owner Insurance.** Each Townhome Unit Owner shall be responsible for his own insurance on his Townhome Unit as well as additions, alterations or improvements made by said Townhome Unit Owner to his Townhome Unit; his personal property in his own Townhome Unit; his personal property stored elsewhere on the Property; and his personal liability to the extent not covered by the liability insurance for all the Townhome Unit Owners obtained by the Board as hereinbefore provided.

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5. **Exterior Attachments.** Townhome Unit Owners shall not cause or permit anything to be placed on the outside Walls of the Building and no signs, awning, canopy, shutter, radio or television or other electronic equipment antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior consent of the Board.
6. **Window Treatments.** There shall be no change in any exterior color of any Townhome. All drapes or shades shall have a white back visible from the exterior of any building.
7. **Pets, etc.** No animals, reptiles, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Townhome Unit or in the Common Elements, except that dogs, cats, or other household pets may be kept in the Townhome Units, subject to rules and regulations adopted by the Board, provided that they are not kept, bred or maintained for any commercial purpose, and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon six (6) days written notice from the Board. Dogs must be attended by their owners and restrained by a leash. Owners are responsible for removing all animal waste generated by their pets.
8. **Nuisances.** No noxious or offensive activity shall be carried on in any Townhome Unit or in or on the Common Elements, nor shall anything be done therein or thereon, either willfully or negligently, which may be or become an annoyance or nuisance to the other Townhome Unit Owners or Occupants.
9. **Unsightliness.** No clothes, sheets, blankets, laundry or any kind of other articles shall be hung or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.
10. **Commercial Activities.** No industry, business, trade, occupation or profession of any kind, commercial, educational or otherwise, designated for profit, exploration, or otherwise shall be conducted, maintained or permitted in any Townhome Unit, allowing for the exceptions contained in Section 9.03 of the Party Wall Rights, Covenants and Easements of Arbor Glenn Townhomes.
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; provided that the right is reserved by the Trustee, the Developer and their agents, to maintain on the property until the sale of the last Townhome Unit, all models, sales offices and advertising signs, banners, and lighting in connection therewith at such locations and in such forms, as they shall determine, together with the right of ingress and egress and transient parking thereof through the Common Elements.
12. **Common Elements.** Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board. This provision does not apply to the standard utility providers with respect to easements granted to the Village.

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13. **Recreational Vehicles.** Boats or recreational vehicles may only be kept in garages. No disabled vehicles shall be kept on the Property.
14. **Vehicle Parking.** If any Townhome Unit Owner shall have more than two vehicles, that Townhome Unit Owner shall park at least one vehicle in the garage and park his other vehicles in his driveway. All other parking spaces shall be reserved for guests.
15. **Exceptions.** The Townhome Unit restrictions in Paragraphs 1 and 11 of this Article IV shall not, however, be construed in such a manner as to prohibit a Townhome Unit Owner from: (a) maintaining his professional library therein, (b) keeping his personal business or professional records or accounts therein, (c) handling his personal business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to the principal residential use and not in violation of Sections 1 and 11 of the Article IV.
16. **Fencing, Decking and Patios.** No additional fencing (including landscaping materials), patios or decking shall be constructed or planted without first obtaining written approval from the Board of Directors.

ARTICLE V

REMEDIES FOR BREACH OF COVENANTS RESTRICTIONS AND REGULATIONS

1. **Abatement and Enjoyment.** The violation of any restriction, or condition or regulation adopted by the Board or the breach of any covenant or provisions herein contained, shall give the Board the right, in addition to the right set forth in the next succeeding section: (a) to enter upon that part of the property where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Townhome Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and the provisions hereof, and the Trustee, or their successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceeding, either at law or in equity, the continuance of any breach. All expenses of the Board in connection with such actions or proceedings, including court costs and attorneys' fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at eighteen percent (18%) per annum until paid, shall be charged to and assessed against such defaulting Townhome Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same upon all of his additions and improvements thereto and upon all his personal property in his Townhome Unit or located elsewhere on the Property. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise by the Board.

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2. **Involuntary Sale.** If any Townhome Unit Owner (either by his own conduct or by the conduct of any Occupant of his Townhome Unit) shall violate any of the covenants or restrictions or provisions of this Declaration, or the regulations adopted by the Board, and such violation shall continue for sixty (60) days after notice in writing from the Board or shall re-occur more than once after such notice, then the Board shall have the power to issue to the defaulting Townhome Unit Owner a thirty (30) day notice in writing to terminate the rights of said defaulting Townhome Unit Owner to continue as a Townhome Unit Owner and to continue to occupy, use or control his Townhome Unit and thereupon an action in equity may be filed by the members of the Board against the defaulting Townhome Unit Owner for a decree of mandatory injunction against the Townhome Unit Owner or Occupant or, in the alternative, for a decree declaring the termination of the defaulting Townhome Unit Owner's right to occupy, use or control the Townhome Unit owned by him on account of the said violation and ordering that the right, title and interest of the Townhome Unit Owner of the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Townhome Unit Owner from reacquiring his interest in the Property at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Townhome Unit Owner in said decree. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the Townhome Unit Owner. Upon the confirmation of such sale, then purchaser thereat shall thereupon be entitled to a deed to the Townhome Unit Ownership and, to immediate possession of the Townhome Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

ARTICLE VI AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted upon the affirmative vote of two-thirds (2/3) of all of the 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 which contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained.