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AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR THE PHEASANT CREEK CONDOMINIUM ASSOCIATION #2

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AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR THE PHEASANT CREEK CONDOMINIUM ASSOCIATION #2

This Amended and Restated Declaration of Easements, Restrictions and Covenants is made and entered into by the Board of Managers of the Pheasant Creek Condominium Association #2 in accordance with Section 27(b) of the Illinois Condominium Property Act [765 ILCS 605/27] (the "Act") whereby the Board of Managers by a two-thirds (2/3) majority vote can amend the Declaration in order to conform to the Act.

This Amended and Restated Declaration of Easements, Restrictions and Covenants was approved on the 3rd day of June 2004 by an instrument in writing signed by no less than two-thirds (2/3) of the Board of Managers of the Association.

This Amended and Restated Declaration of Easements, Restrictions and Covenants incorporates all of the changes in the law implemented since the adoption of the Original Declaration. Such changes that supersede provisions of the Original Declaration are incorporated herein.

RECITALS:

The Declaration of Condominium Ownership and of Easements, Restrictions and Covenants for the Pheasant Creek Condominium was recorded in Cook County, Illinois as Document No. 22648911 (the "Original Declaration") on March 8, 1974, thus creating the Pheasant Creek Condominium Association #2 ("Association").

Since the filing of the Original Declaration, the Illinois Condominium Property Act has been amended on numerous occasions. Many of these amendments to the Act contradict or modify provisions of the Declaration. This Amended and Restated Declaration of Easements, Restrictions and Covenants (hereafter "Declaration") is intended to bring the governing documents of the Association into conformance with the Act.

This Declaration was approved by at least 2/3rds of the members of the Board of Managers by execution of this document.

Accordingly, the Declaration is hereby amended and restated to be and read, in its entirety, as follows:

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ARTICLE I DEFINITIONS

1.01 Act. The Condominium Property Act of the State of Illinois, as amended from time to time.

1.02 Association. The Pheasant Creek Condominium Association #2, an Illinois not-for-profit corporation, its successors and assigns.

1.03 Building. The building or buildings located on the parcel and forming part of the Property and containing the Units as indicated by the Plat.

1.04 By-Laws. The By-Laws of the Association which are attached hereto as Exhibit B.

1.05 Common Elements. All portions of the property except the individual Units, as more fully described in Section 3.01 herein.

1.06 Common Expenses. The expenses of administration (including management and professional services), maintenance, operation, repair, and replacement of the Common Elements, the cost of additions, alterations, or improvements to the Common Elements; the cost of insurance required or permitted to be obtained by the Board herein; utility expenses for the Common Elements; any expenses designated as Common Expenses by the Act, this Declaration, or the By-Laws; if not separately metered or charged to the Owners, the cost of waste removal, scavenger services, water, sewer, or other necessary utility services to the Property; and any other expenses lawfully incurred by or on behalf of the Association for the common benefit of all of the Owners.

1.07 Declaration. This instrument with all Exhibits hereto, as amended from time to time.

1.08 Limited Common Elements. A portion of the Common Elements contiguous to and serving exclusively a single Unit or adjoining Units as an appurtenance thereto, including specifically, but not by way of limitation, garage parking spaces, patio areas and such portions of the perimeter walls, floor and ceilings, doors, vestibules, windows and entryways, and of all associated fixtures and structures therein as lie outside the Unit boundaries. The Board, as hereinafter defined, may from time to time designate other portions of the Common Elements as Limited Common Elements.

1.09 Majority or Majority of the Unit Owners. The Owners of more than 50% in the aggregate in interest of the undivided ownership of the common elements. Any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided ownership. "Majority" or "majority of the members of the Board of Managers" means more than 50% of the total number of persons constituting such Board pursuant to the By-Laws. Any specified percentage of the members of the

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Board of Managers means that percentage of the total number of persons constituting such Board pursuant to the By-Laws.

1.10 Occupant. A person or persons, other than an Owner, in possession of one or more Units.

1.11 Owner or Unit Owner. A Record Owner, whether one or more Persons, of fee simple title to any Unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.12 Parcel. The lot or lots, tract or tracts of land, described in the Declaration, submitted to the provisions of the Act.

1.13 Parking Area. The area provided for parking automobiles as shown or referred to on the Plat.

1.14 Person. A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.15 Plat. A plat or plats of survey of the Parcel and of all Units in the property submitted to the provisions of the Act, which may consist of a three-dimensional horizontal and vertical delineation of all such units.

1.16 Property. All the land, property and space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon, including the building and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

1.17 Record. To record in the office of the recorder of the county wherein the Property is located.

1.18 Resident. An individual who resides in a Unit and who is either an Owner, a tenant of the Owner, a contract purchaser of the Unit, or a relative of any such Owner, tenant or contract purchaser.

1.19 Undivided Interest. The percentage of Ownership interest in the Common Elements appurtenant to a Unit as allocated in the original Declaration of Condominium Ownership, amended from time to time thereafter.

1.20 Unit. A part of the property within the Building including one or more rooms, occupying one or more floors or a part or parts thereof, and designed and intended for independent use as a residential apartment by one family.

1.21 Unit Ownership. A part of the Condominium Property consisting of one (1) Unit and its Undivided Interest in the Common Elements appurtenant thereto.

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1.22 Voting Member. An individual who shall be entitled to vote in person or by proxy at meetings of the Owners, as more fully set forth herein.

ARTICLE II UNITS; SUBMISSION TO ACT

2.01 Submission of Property to the Act . The Property was submitted to the provisions of the Illinois Condominium Property Act

2.02 Units; Description and Ownership. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on the Plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes set forth in the delineation thereof as shown on the Plat. Except as otherwise provided by the Condominium Property Act, no Unit Owner shall, by deed, plat or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

2.03 Certain Structures Not Constituting Part of a Unit. Except as a tenant-in-common with all other Unit Owners, no Unit Owner shall own any pipes, wires, conduits, public utility lines or structural components running through his Unit and serving more than his Unit, whether or not such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit.

ARTICLE III COMMON ELEMENTS

3.01 Description. Except as otherwise in this Declaration provided, the Common Elements shall consist of all portions of the Property, except the individual Units. Without limiting the generality of the foregoing, the Common Elements shall include the land, outside walks and driveways, landscaping, halls, elevators, stairways, courtyards, entrances and exits, patios, lobbies, parking area, roof, incinerator, mail boxes, pipes, ducts, flues, chutes, electrical wiring and conduits, central heating, public utility lines and other utility installations to the outlets, such component parts of air conditioning sleeves, floors, ceilings and perimeter walls not located within the Unit boundaries as shown on the Plat, and structural parts of the Building, including structural columns located within the boundaries of a Unit.

3.02 Ownership of Common Elements. Each Unit Owner shall be entitled to and own an undivided interest in the Common Elements as a tenant-in-common with all other Owners of the Property, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of such Owner's Unit as a place of residence, and such other incidental uses

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permitted by this Declaration, which right shall be appurtenant to and run with his Unit. The extent or amount of such ownership shall be expressed by a percentage amount and once determined shall remain constant, and may not be changed without unanimous approval of all Unit Owners. The developer determined each Unit's corresponding percentage of ownership in the Common Elements as set forth in the schedule attached hereto as Exhibit B and incorporated herein by reference as though fully set forth herein.

3.03 No Partition of Common Elements. There shall be no partition of the Common Elements through judicial proceedings or otherwise until this Declaration is terminated and the Property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership; provided, however, that if any Unit Ownership shall be owned by two or more co-Owners as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of said Unit Ownership as between such co-Owners.

ARTICLE IV

GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

4.01 No Severance of Ownership. No Owner shall execute any deed, mortgage, lease or other instrument affecting title to his Unit Ownership without including therein both his interest in the Unit and his corresponding percentage of ownership in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

4.02 Use of the Common Elements.

(a) General. Subject to the provisions of this Declaration, each Unit Owner shall have the nonexclusive right to use the Common Elements (except the Limited Common Elements and portions of the Property subject to leases, easements or licenses made by or assigned to the Board) in common with the other Unit Owners, as may be required for the purpose of ingress and egress to, and use, occupancy and enjoyment of, the respective Unit Ownership owned by such Unit Owner, and such other incidental uses as are permitted by this Declaration. Use of Limited Common Elements shall be governed by this Declaration. Such rights to use and possess the Common Elements, including the Limited Common Elements, shall be subject to and be governed by the provisions of the Act, this Declaration, and rules and regulations of the Association. In addition, the Association shall have the authority to lease, grant licenses or concessions, or grant easements with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, licenses, concessions or other sources shall be held and used for the benefit of the members of the Association,

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pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

(b) Guest Privileges. The aforescribed rights shall extend to the Unit Owner and Occupants, members of the immediate family, guests, visitors, agents, servants, invitees, customers and licensees of the Unit Owner, subject to reasonable rules and regulations adopted or prescribed by the Association with respect thereto.

(c) Disclaimer of Bailee Liability. Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association nor any Unit Owner shall be considered a bailee of any personal property stored in the Common Elements and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

4.03 Maintenance, Repairs and Replacements.

(a) By the Association. The Association, at its expense, shall be responsible for the maintenance, repair, and replacement of those portions, if any, of each Unit which contribute to the support of the Buildings but excluding, however, the interior surfaces of walls, ceilings and floors. In addition, the Association shall maintain, repair, and replace all pipes, wires, conduits, ducts and other facilities for the furnishing of utility services which may be located within the Unit boundaries and forming part of any system servicing more than one Unit, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of an individual Unit Owner under paragraph (b) below, or any other provision of this Declaration. Maintenance, repairs, and replacements of the Common Elements shall be furnished by the Association acting by and through the Board as part of the Common Expenses, subject to the By-Laws or rules and regulations of the Association.

(b) By the Unit Owner. Except as otherwise provided in paragraph (a) above or paragraph (c) below, each Unit Owner shall furnish and be responsible for, at his own expense:

(1) All of the maintenance, repairs and replacements within his own Unit, all interior doors appurtenant thereto, all screens, and all internal installations of such Unit such as refrigerators, ranges, and other kitchen appliances, lighting fixtures and other electrical fixtures and plumbing, and any portion of any other utility service facilities located within the Unit; provided, however, that such maintenance, repairs and replacements as may be required for the bringing of water and electricity to the Units, shall be furnished by the Board as part of the Common Expenses.

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(2) All of the decorating within his own Unit (initially and thereafter from time to time), including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the common walls and the interior surfaces of the vertical perimeter walls, floors and ceiling of his Unit, and such Unit Owner shall maintain such portions in good condition at his sole expense as may be required from time to time. The use of and the covering of the interior surfaces of such windows, whether by draperies, shades, or other items visible on the exterior of the Building shall be subject to the rules and regulations of the Board as may be imposed from time to time, which shall provide for notice to the management company prior to any such installation and the management company's approval of the method of installation prior to any such installation.

(3) All of the maintenance, repair, and replacements of the Limited Common Elements benefiting his Unit, in whole or in part, except to the extent as otherwise directed by the Board or as is otherwise provided herein. The foregoing notwithstanding, at the discretion of the Board, the Board may perform, or cause to be performed, such maintenance, repairs, and replacements of the Limited Common Elements and the cost thereof shall be assessed in whole or in part to Unit Owners benefited thereby, and further, at the discretion of the Board, the Board may direct such Unit Owners, in the name and for the account of such Unit Owners, to arrange for such maintenance, repairs, and replacements, to pay the cost thereof with the funds of the Unit Owner, and to procure and deliver to the Board such lien waivers and contractor's or subcontractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom. In addition, each Unit Owner shall be individually responsible for the repair, maintenance and replacement of all door and window locks and hardware with respect to which each Unit Owner is entitled to the exclusive use.

(c) In the event that any repair or replacement to the Common Elements (including the Limited Common Elements) is made necessary by reason of any act or occurrence for which insurance is maintained by the Board pursuant to Article IX hereof and for which insurance proceeds are available as provided thereof, the Association, at its expense to the extent of such proceeds, and shall be responsible for the repair or replacement of such Common Elements.

(d) Nature of Obligation. Nothing herein contained shall be construed to impose a contractual liability upon the Association for maintenance, repair and replacement of the Common Elements or the Units or any portion or parts

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thereof, but the Association's liability shall be limited to damages resulting from negligence. The respective obligations of the Association and Unit Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required to cure a latent or patent defect in material or workmanship in the construction of the Building, nor because they may become entitled to proceeds under policies of insurance. In addition, and notwithstanding anything hereinabove to the contrary, no Unit Owner shall have a claim against the Board or Association for any work ordinarily the responsibility of the Board or Association, but which the Unit Owner himself has performed or paid for, unless the same shall have been agreed to in advance by the Board or Association.

4.04 Negligence of Unit Owner. If, due to the willful misconduct or negligent act or omission of a Unit Owner, or of a member of his family or household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be charged as a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board.

4.05 Joint Facilities. To the extent that equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owner shall be in all respects reasonable as it affects the other Unit Owners.

4.06 Additions, Alterations or Improvements.

(a) No alterations of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses (or in the case of Limited Common Elements may charge to the Unit Owner benefited thereby) alterations and improvements of, and additions to the Common Elements; provided, however, that in the event the costs thereof are to be charged as common expenses the Board shall not approve any such alterations, improvements or additions requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00), without the approval of Unit Owners owning not less than fifty percent (50%) in the aggregate in interest of the undivided ownership of the Common Elements, or Ten Thousand Dollars (\$10,000.00) without the approval of Unit Owners owning not less than seventy-five percent (75%) in the aggregate in interest of the undivided ownership of said Common Elements, except as occasioned by emergency, or as required by governmental action. Any Unit Owner may make alterations, additions or improvements within his Unit without the prior written approval of the Board, but in any event such Unit Owner shall be responsible for any damage to other Units, the Common Elements, or the Property as a result of such alterations, additions or improvements.

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(b) Except as otherwise provided herein, no additions, alterations or improvements shall be made by a Unit Owner to any part of the Common Elements and no additions, alterations or improvements shall be made by a Unit Owner to his Unit where such work alters the wall or partition, configuration, ceiling, perimeter doors or windows, terrace, floor load or otherwise affects the structure of the Unit or increases the cost of insurance required to be carried by the Board hereunder without the prior written consent of the Board. Any addition, alteration or improvement of a Unit by the Unit Owner which shall affect the structure of the Unit or the Common Elements shall, further, conform to structural or engineering drawings prepared or reviewed and approved by an architectural or engineering firm selected by the Board. The cost of such drawings or review and approval shall be paid by the Unit Owner. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by a Unit Owner under this Section 4.06(b) upon the Unit Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set; or (ii) to pay to the Association from time to time the additional costs of maintenance or insurance as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by a Unit Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions, which actions shall not be exclusive of the remedies available to the Board under Article XII hereof:

- (1) Require the Unit Owner to remove the addition, alteration or improvement and restore the Property to its original condition, all at the Unit Owner's expense; or
- (2) If the Unit Owner refuses or fails to properly perform the work required under (1), the Board may cause such work to be done and may charge the Unit Owner for the cost thereof as determined by the Board; or
- (3) Ratify the action taken by the Unit Owner, and the Board may (but shall not be required to) condition such ratification upon the same conditions which it may impose upon the giving of its prior consent under this Article.

4.07 Maintenance of Common Elements; Common Expenses. Except as otherwise provided herein, management, repair, alteration and improvement of the Common Elements shall be the responsibility of the Board or Association. Each Unit Owner shall pay his proportionate share of the expenses of maintenance, repair, replacement, administration and operation of the Common Elements, which expenses are hereinafter referred to collectively as "Common Expenses". Such proportionate share shall be in the same ratio as his percentage of ownership in the Common Elements as set forth in Exhibit B. Payment thereof shall be in such amount and at

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such times as may be provided by the By-laws and/or rules and regulations of the Association. In the event of the failure of a Unit Owner to pay such proportionate share when due, the amount thereof shall constitute a lien on the interest of such Unit Owner, as provided by the Act.

4.08 Easements.

(a) Encroachments: In the event that by reason of the construction, settlement or shifting of the Building, or the design or construction of any Unit, any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Elements or any other Unit, or, if by reason of the design or construction or utility systems any main pipes, ducts or conduits, serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Elements, as the case may be, so long as all or any part of the Building containing such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of the Owner of any Unit or in favor of the Owners of the Common Elements if such encroachment occurred due to the willful conduct of said Owner or Owners.

(b) Patios. All patios, if any, shall be a part of the Common Elements and not a part of any individual Unit; however, each Unit Owner shall be entitled to the exclusive use and possession of that patio or those patios, if any, direct access to which is provided from his respective Unit and which is or are located outside of and adjoining his respective Unit, until such time as the Board or Association, as hereinafter provided, determines to the contrary, each Unit Owner shall be responsible for repair, maintenance and appearance of the patios, the exclusive use and possession whereof is extended hereby, at his own expense, including (without limitation) responsibility for breakage, damage, malfunction and ordinary wear and tear. A Unit Owner shall not paint or otherwise decorate or adorn, or change the appearance of any such patio, in any manner contrary to such rules and regulations as may be established by the said Board or Association. In the event any such patio shall be appurtenant to more than one Unit, then all rights and obligations of the Owners of each such Unit with respect to the use, maintenance and repair of such patio shall be joint, common and indivisible, and shall not be subject to partition through judicial proceedings or otherwise.

(c) Easements for Utilities. Easements are hereby declared and granted for utility purposes, including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits, wires and equipment over, under, along and on any part of the Common Elements, as they exist on the date of the recording of the original Declaration thereof. The Board or Association may hereafter grant

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other or additional easements for utility purposes for the benefit of the Property over, under, along and on any portion of said Common Elements, and each Unit Owner hereby grants the Board or Association an irrevocable power of attorney to execute, acknowledge and record or register, for and in the name of such Unit Owner, such instruments as may be necessary to effectuate the foregoing. Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of a Unit, whether or not such walls lie in whole or in part within the Unit boundaries.

(d) Easements for Common Elements. A valid easement is hereby declared and established for the benefit of all the Units located in the Building, and the Owners thereof (to the exclusion of Owners of Units in other buildings) consisting of the exclusive right to use and occupy the following portions of the Common Elements located within such building: the laundry rooms, elevators, bicycle and all other storage areas, hallways, lobbies, trashrooms, the office and the meeting room; provided, however, that the use and occupancy of such portions of the Common Elements shall comply with all rules and regulations of the Association.

(e) Easements to Run with Land. All easements and rights described herein are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the Association, its successors and assigns, and any Owner, purchaser, mortgagee and other person having an interest in said land, or any part or portion thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration, shall be sufficient to create and reserve such easement, and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were created fully and set forth in their entirety in such documents.

4.09 Parking Area; Parking. Any garage in the Building and any Parking Area or other portion of the Property allocated to parking purposes shall be part of the Common Elements and not part of any individual Unit. The Developer of the Property sold and granted to certain Unit Owners the perpetual and exclusive use of at least one designated parking space, which exclusive use is deemed to be appurtenant to and pass with the title to the Unit to which appurtenant (and in no other manner) even though not expressly mentioned in the document passing title to the Unit. The Developer gave the Board or Association notice thereof and the name of the Unit Owner to whom the Developer granted the exclusive use, which notice is conclusive upon the Board or Association and all Unit Owners as to the rights of the Unit Owner designated in such notice. Subject to the foregoing, the Board or Association may determine to grant exclusive use and possession to designated parking stalls in any portion of the Property allocated to parking purposes to Unit Owners, and the Board or Association may in any event prescribe such rules and regulations with respect to such Parking Areas as the Board may deem fit and may, additionally, operate any Parking Areas itself

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or lease any Parking Areas for operation by others upon such terms as it may deem fit. All revenue received by the Association from any said Parking Areas, less operation expenses thereof, if any, shall be applied in accordance with the By-laws. Such exclusive use and possession given a Unit Owner or Owners shall be subject to such rules and regulations as the Board may deem fit, including the requirement that such exclusive use and possession encompass the obligation to clean and maintain that portion of the Common Elements subject thereto as an expense of a Unit Owner rather than a Common Expense.

4.10 Separate Mortgages of Units. Each Unit Owner shall have the right to mortgage or encumber his own respective Unit, together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the property or any part thereof, except his own Unit and his own respective ownership interest in the Common Elements as aforesaid.

4.11 Separate Real Estate Taxes. Each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements.

4.12 Utilities. Each Unit Owner shall pay for his own telephone, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expenses.

ARTICLE V **ADMINISTRATION**

5.01 Administration of the Property. The administration of the Property shall be vested in a Board of Managers consisting of the number of persons and who shall be elected in the manner provided in the By-Laws. The duties and powers of the Association and its Board shall be those set forth in its Articles of Incorporation, the By-Laws and this Declaration, provided, however, that (a) the terms and provisions of the Act shall control in the event of any inconsistency between the Act, on the one hand, and this Declaration, the Articles of Incorporation and the By-Laws on the other hand, and (b) the terms and provisions of this Declaration shall control in the event of any inconsistency between this Declaration, on the one hand, and the Articles of Incorporation and the By-Laws on the other hand. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions contained herein. Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, and such membership shall automatically terminate when he ceases to be a Unit Owner, and upon the transfer of his ownership interest the transferee thereof shall likewise succeed to such membership in the Association. The Association shall have one class of membership.

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5.02 General Powers of the Board. The Board shall have the following general powers:

(a) The Board may engage the services of an agent to manage the Property for which the Board is responsible pursuant to this Declaration, to the extent deemed advisable by the Board. The management agreement shall require the management agent to furnish a fidelity bond in such amounts and with such provisions as contained in Article IX hereof.

(b) The Board or its agents, upon reasonable notice, may enter any Unit when necessary in connection with any maintenance, repair or replacement or construction for which the Board is responsible or to make emergency repairs as may be necessary to prevent damage to the Common Elements or to any other Unit or Units.

(c) Except with respect to such expenditures as are immediately necessary for the preservation and safety of the Owners or their Property, or which are required by law or which can be paid from the proceeds of insurance received by or for the account of the Board, the Board shall not authorize or approve any expenditure in excess of Fifty Thousand Dollars (\$50,000.00) for alteration, additions or improvements except in accordance with Section 4.06 of the Declaration. The Board shall not authorize or approve any contract for a term of more than three (3) years, unless such expenditure or contract shall have been approved by seventy-five percent (75%) of the Owners.

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

(e) The Board shall have the power and duty to provide for the designation, hiring, and removal of employees and other personnel, including lawyers and accountants, engineers, or architects to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management, and operation of the Property, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent).

(f) The Board shall have the power to exercise all other powers and duties of the Board of Directors or Unit Owners as a group referred to in this Declaration or the Act. More specifically, the Board shall exercise for the Association all powers, duties and authority vested in it by law or the Declaration except for such powers, duties and authority reserved thereby to the members of

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the Association. The powers and duties of the Board shall include, but shall not be limited to, the following matters:

- (1) Operation, care, upkeep, maintenance, replacement and improvement of the Common Elements in a neat and orderly manner;
- (2) Preparation, adoption and distribution of the annual budget for the Property;
- (3) Levying of assessments and collection thereof from Unit Owners;
- (4) Borrowing funds;
- (5) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements;
- (6) Obtaining adequate and appropriate kinds of insurance;
- (7) Purchasing and receiving conveyances of Unit Ownerships and owning, conveying, mortgaging, encumbering, leasing and otherwise dealing with Unit Ownerships conveyed to or purchased by it;
- (8) The Board may, from time to time, adopt or amend such rules and regulations governing the operation, maintenance, beautification and use of the Common Elements and the Units, not inconsistent with the terms of this Declaration, after a meeting of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations and conforms to the procedural requirements for the calling of a regular or special meeting of the Association. No quorum is required at this meeting of Unit Owners. However, no rules or regulations may impair any rights guaranteed under the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution. Subsequent to Board action adopting or amending the rules and regulations, the Board shall give written notice of such rules and regulations to all Owners and occupants, and the entire property shall at all times be maintained subject to such rules and regulations. Any violation of such rules or regulations shall be deemed a violation of the terms of this Declaration.
- (9) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;
- (10) To have access to each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common Elements (to the extent the Association is responsible for such

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maintenance, repair or replacement) therein or accessible therefrom, or for making repairs therein necessary to prevent damage to the Common Elements or to other Unit or Units;

(11) Pay real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the condominium and are not payable by Unit Owners directly, with such payments being made either directly to the appropriate governing body;

(12) Impose charges for late payments of a Unit Owner's proportionate share of the Common Expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of this Declaration and rules and regulations of the Association;

(13) By a majority vote of the entire Board, assign the Association's right to future income from Common Expenses or other sources, and mortgage or pledge substantially all of the remaining assets of the Association;

(14) Record the dedication of a portion of the Common Elements to a public body for use as or in connection with a street or utility where authorized by the Unit Owners under the provisions of the Declaration hereof;

(15) Record the granting of an easement pursuant to the provisions of Article IV hereof and any instruments required elsewhere in this Declaration;

(16) Except to the extent limited by this Declaration and the Act, the Board shall have the power and duty to exercise the rights of, and perform all of the covenants and obligations imposed upon, the Association or the Unit Owners, and to execute any and all instruments required pursuant thereto;

(17) To reasonably accommodate the needs of a handicapped Unit Owner as required by the federal Civil Rights Act of 1968, the Illinois Human Rights Act and any applicable local ordinances in the exercise of its powers with respect to the use of the Common Elements or approval of modifications in an individual Unit.

(g) The Board shall acquire and make arrangements for and pay for out of the maintenance fund, in addition to the manager, managing agent or other personnel above provided for, the following:

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(1) Water, waste removal, heating, electricity and telephone and other necessary utility service for the Common Elements and such services to the Units as are not separately metered or charged to the Owners thereof.

(2) Such insurance as the Board is required or permitted to obtain as hereinafter provided.

(3) Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the interior surfaces, windows and doors of the Unit, which the respective Unit Owner shall paint, clean, decorate, maintain and repair further to the provisions herein) and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the Common Elements.

(4) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments which the Board deems necessary or proper for the maintenance and operation of the property as a first class Residential project or for the enforcement of any restrictions or provisions contained herein.

(5) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the 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 Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Unit Owners and shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Condominium Property Act with respect to liens for failure to pay a share of the common expenses.

(6) Maintenance and repair of any Unit or any other portion of the property which one or more Unit Owners are obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Board, to protect the Common Elements, or any other portion of the property, and the Owner or Owners of said Unit or Units have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Unit Owner or Owners, provided

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that the Board shall levy a special assessment against such Unit or Units for the cost of said maintenance or repair and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner or Owners in the property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Condominium Property Act with respect to liens for failure to pay a share of the common expenses.

(h) The Board, by a vote of at least two-thirds (2/3rds) of its members, shall have the authority to lease or to grant licenses, concessions, easements, leases and contracts with respect to any part of the Common Elements, all upon such terms as the Board deems appropriate.

(i) The Board shall have the power to bid for and purchase any Unit Ownership at a sale pursuant to a mortgage foreclosure, or a foreclosure of the lien for Common Expenses under the Act, or at a sale pursuant to an order of direction of a court, or other involuntary sale, upon the consent or approval of Voting Members representing not less than two-thirds (2/3rds) of the total votes.

(j) The Association shall have no authority to forebear the payment of assessments by any Unit Owner.

5.03 Collection of Assessments. All funds collected by the Association shall be held and expended for the purposes designated herein and in the Articles of Incorporation and the By-Laws. All such funds (except for such special assessments as may be levied against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of each of the Unit Owners in the same percentage as his Ownership, from time to time, in the Common Elements.

5.04 Determination of Board to be Binding. In the event of any dispute or disagreement between any Unit Owners relating to the property or any question of interpretation or application of the provisions of the Declaration, the determination thereof by the Board shall be final and binding on each and all of such Unit Owners.

5.05 Books and Records of the Association - Availability For Examination.

(a) In addition to the provisions contained herein, the managing company or the Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their First Mortgagees and their duly authorized agents or attorneys:

(1) the Association's Declaration, By-Laws, plats of survey, and all amendments of these;

(2) the rules and regulations, if any;

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(3) if the Association is incorporated as a corporation, the articles of incorporation of the Association and all amendments to the articles of incorporation;

(4) minutes of all meetings of the Association and its Board of Managers for the immediately preceding seven (7) years;

(5) all current policies of insurance of the Association;

(6) all contracts, leases, and other agreements then in effect to which the Association is a party or under which the Association or the Unit Owners have obligations or liabilities;

(7) a current listing of the names, addresses, and weighted vote of all Owners entitled to vote;

(8) ballots and proxies related to ballots for all matters voted on by the Unit Owners of the Association during the immediately preceding twelve (12) months, including but not limited to the election of members of the Board of Managers; and

(9) the books and records of account for the Association's current and ten (10) immediately preceding fiscal years, including but not limited to itemized and detailed records of all receipts and expenditures.

(b) Any Unit Owner shall have the right to inspect, examine, and make copies of the records described in subparagraphs (1), (2), (3), (4), and (5) of subsection (a) of this Section, in person or by agent, at any reasonable time or times, at the Association's principal office. In order to exercise this right, the Unit Owner must submit a written request to the Board, or its authorized agent, stating with particularity the records sought to be examined. Failure of the Board to make available all records so requested within thirty (30) days of receipt of the Unit Owner's written request shall be deemed a denial.

Any Unit Owner who prevails in an enforcement action to compel examination of records described in subparagraphs (1), (2), (3), (4), and (5) of subsection (a) of this Section shall be entitled to recover reasonable attorney's fees and costs from the Association.

(c) Except as otherwise provided in subsection (e) of this Section, any Unit Owner of the Association shall have the right to inspect, examine, and make copies of the records described in subparagraphs (6), (7), (8), and (9) of subsection (a) of this Section, in person or by agent, at any reasonable time or times but only for a proper purpose, at the Association's principal office. In order to exercise this right, the Unit Owner must submit a written request to the Board

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or its authorized agent, stating with particularity the records sought to be examined and a proper purpose for the request. Subject to the provisions of subsection (e) of this Section, failure of the Board to make available all records so requested within thirty (30) business days of receipt of the Unit Owner's written request shall be deemed a denial; provided, however, that if the Association has adopted a secret ballot election process as provided in Section 18 of the Act shall not be deemed to have denied a Unit Owner's request for records described in subparagraph (8) of subsection (a) of this Section if voting ballots, without identifying unit numbers, are made available to the requesting Unit Owner within thirty (30) days of receipt of the Unit Owner's written request. In an action to compel examination of records described in subparagraphs (6), (7), (8), and (9) of subsection (a) of this Section, the burden of proof is upon the Unit Owner to establish that the Unit Owner's request is based on a proper purpose. Any Unit Owner who prevails in an enforcement action to compel examination of records described in subparagraphs (6), (7), (8), and (9) of subsection (a) of this Section shall be entitled to recover reasonable attorney's fees and costs from the Association only if the court finds that the Board acted in bad faith in denying the Unit Owner's request.

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

(e) Notwithstanding the provisions of subsection (c) of this Section, unless otherwise directed by court order, the Association need not make the following records available for inspection, examination, or copying by its Unit Owners:

- (1) documents relating to appointment, employment, discipline, or dismissal of Association employees;
- (2) documents relating to actions pending against or on behalf of the Association or its Board of Managers in a court or administrative tribunal;
- (3) documents relating to actions threatened against, or likely to be asserted on behalf of, the Association or its Board of Managers in a court or administrative tribunal;
- (4) documents relating to common expenses or other charges owed by a Unit Owner other than the requesting Unit Owner; and

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(5) documents provided to the Association in connection with the lease, sale, or other transfer of a unit by a Unit Owner other than the requesting Unit Owner.

5.06 Real Estate Taxes. Real estate taxes, special assessments, and any other special taxes or charges of the State of Illinois or any duly authorized subdivision or agency thereof, are to be separately taxed to each Owner for his Unit Ownership, as provided in the Act. Upon the affirmative vote of Voting Members representing a majority of the votes in the Association or the affirmative vote of two-thirds of the members of the Board, the Board, on behalf of all the Owners, shall have the authority to seek relief for the Owners from any such taxes, special assessments or charges, and any expenses incurred in connection therewith shall be Common Expenses.

5.07 Board's Right of Entry. The Board or its agents, upon reasonable notice or, in the case of an emergency, may without notice, enter any Unit, including any of the appurtenant Limited Common Elements in connection with any maintenance, repair and replacement for which the Board is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board, as a Common Expense. In the event the Association is forced to break into a Unit to perform emergency repairs, maintenance or other action, and the Owner has not provided the Association with (a) a key to the Unit or (b) the name of a contact person who has a key to the Unit, the cost to replace the locks or any other costs shall be the responsibility of the Unit Owner.

5.08 Sale of Association Owned Unit. In the event the Board is desirous of selling an Association owned Unit, the Board shall obtain the approval of 2/3rds of the members present in person or by proxy at a special meeting called for that purpose. Thereafter, the Board may sell said Unit and the percentages of ownership shall be recalculated to assimilate the added Unit, which is currently classified as part of the Common Elements.

ARTICLE VI ASSESSMENTS - MAINTENANCE FUND

6.01 Preparation of Estimated Budget.

(a) Each year on or before December 1, the Board will estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall, on or before December 15, notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Elements as set forth in Exhibit B attached hereto. On or before January 1 of the ensuing year, and the first of

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each and every month of said year, each Owner shall be obligated to pay to the Board, or as it may direct, one-twelfth (1/12th) of The assessment made pursuant to this Section. On or before the date of the Annual Meeting of each calendar year, the Board shall supply to all owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures, plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Owner's percentage of ownership in the Common Elements to the next monthly installments due from Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Owner's percentage of ownership in the Common Elements to the installments due in the succeeding six (6) months after rendering of the accounting.

(b) If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, the Board of Managers, upon written petition of Unit Owners with twenty percent (20%) of the votes of the Association filed within fourteen (14) days of the Board action, shall call a meeting of the Unit Owners within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of the Unit Owners are cast at the meeting to reject the budget, it shall be deemed ratified whether or not a quorum is present. In determining whether assessments exceeds one hundred fifteen percent (115%) of similar assessments in prior years, for purposes of this subparagraph, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, and any anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

6.02 Reserve for Contingencies and Replacements. The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may, at any time, levy a further assessment, which shall be assessed to the Owners according to each Owner's percentage ownership in the Common Elements. The Board shall serve notice of such further assessment on all Owners by a statement in writing giving the amount, and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount.

6.03 Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a

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waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

6.04 Status of Collected Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit B.

6.05 Remedies for Failure to Pay Assessment. If an Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the Board may bring suit for and on behalf of itself and as representative of all owners, to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, 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 Unit Ownership of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Unless otherwise provided in this Declaration, the members of the Board and their successors in office, acting on behalf of the other Unit Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Said 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 or savings and loan association shall be subject as to priority after written notice to said encumbrancer of unpaid Common Expenses only to the lien of all Common Expenses on the encumbered Unit which become due and payable subsequent to the date said encumbrancer either takes possession of the Unit, accepts a conveyance of any interest therein, or has a receiver appointed in a suit to foreclose his lien. Any encumbrancer may, from time to time, request in writing a written statement from the Board setting forth the unpaid Common Expenses with respect to the Unit covered by his encumbrance, and, unless the request shall be complied with within twenty (20) days, all unpaid Common Expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrance. Any encumbrancer holding a lien on a Unit may pay any unpaid common expenses payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of his encumbrance

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6.06 Statement of Account. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

6.07 Payment of Assessments. All monthly assessments and any special assessments or other lawful charges of the Association are due and payable on the first (1st) day of each month. Any payment of the foregoing which is received after the fifteenth (15th) day of the month shall be considered late. The Board may establish service charges, fines or other charges for late payments or non-payment of the foregoing obligations of a Unit Owner, including interest on any unpaid balance. Any such service charge, fine or other charge shall be added to and be deemed a part of the Unit Owner's share of the common expense. The Board shall have the authority to credit back any late charges which may have been added to a Unit Owner's account under appropriate circumstances. In addition to any remedies or liens provided by law, if a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the Board may bring suit for and on behalf of itself and as representative of all Unit Owners, to enforce collection, for possession or to foreclose the lien and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees. In addition, the Board may also take possession of such defaulting Unit Owner's interest in the property and maintain an action for possession of the Unit in the manner provided by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his or her Unit.

6.08 Lien for Unpaid Assessments. Any first mortgage or first trust deed made, owned or held by a bank, savings and loan association, insurance company or real estate investment trust and recorded prior to the recording or mailing of a notice by the Board of the amount owing by a Unit Owner who has refused or failed to pay his share of the monthly assessment or any special assessment when due shall be superior to the lien of such unpaid common expenses set forth in said notice and to all assessments for common expenses which become due and are unpaid subsequent to the date of recording of such first mortgage or first trust deed, provided, however, that after written notice to the holder of any such mortgage or trust deed, such mortgage or trust deed shall be subject to the lien of unpaid common expenses which are due and payable subsequent to the date when such holder takes possession of the Unit, accepts a conveyance of such Unit, or has a receiver appointed in a suit to foreclose the lien of such mortgage or trust deed.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

7.01 Use and Occupancy.

(a) Residential Purposes. No part of the Property shall be used for other than housing and related common purposes for which the Property was

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designed. Each Unit or any two or more adjoining 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. That part of the Common Elements separating any two or more adjoining Units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining Units in such manner and upon such conditions as shall be determined by the Board in writing.

(b) Obstruction of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements without the prior consent of the Board, except as hereinafter expressly provided. Each Owner shall be obligated to maintain and keep in good order and repair his own Unit.

(c) Hazardous Uses and Waste. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Building, or contents thereof, applicable for residential use, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the 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.

(d) Flags. Notwithstanding any provision in the Declaration, By-Laws, rules, regulations, or agreements or other instruments of the Association or the Board's construction of any of those instruments, the Board may not prohibit the display of the American flag or a military flag, or both, on or within the facilities of a unit owner or on the immediately adjacent exterior of the building in which the unit of a unit owner is located. The Board may adopt reasonable rules and regulations, consistent with Sections 4 through 10 of Chapter 1 of Title 4 of the United States Code, regarding the placement and manner of display of the American flag and the Board may adopt reasonable rules and regulations regarding the placement and manner of display of a military flag. The Board may not prohibit the installation of a flagpole for the display of the American flag or a military flag, or both, on or within the facilities of a unit owner or on the immediately adjacent exterior of the building in which the unit of a unit owner is located, but a board may adopt reasonable rules and regulations regarding the location and size of flagpoles.

As used in this Section:

"American flag" means the flag of the United States (as defined in Section 1 of Chapter 1 of Title 4 of the United States Code and the Executive Orders entered in connection with that Section) made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "American flag" does not include a depiction or emblem of the American flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

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"Military flag" means a flag of any branch of the United States armed forces or the Illinois National Guard made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "military flag" does not include a depiction or emblem of a military flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

(e) Nuisances. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or Occupants.

(f) Impairment of Structural Integrity of Building. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Building or which would structurally change the Building except as is otherwise provided herein. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others.

(g) Certain Personal Professional Activities Permitted. The Unit restrictions of this Article VII shall not, however, be construed in such a manner as to prohibit an Owner or Occupant from (1) maintaining a personal professional library, (2) keeping his personal business records or accounts therein, (3) handling his personal business or professional calls or correspondence therefrom, or (4) maintaining what is customarily considered a house occupation. The intent of this restriction is to limit traffic, noise, refuse, advertising and other incidentals of operating a business which disturbs the quiet enjoyment of the Owners and Occupants and detracts from the appearance of the Building or lowers property values. In all instances, the decision of the Board as to whether a business is prohibited, shall be final.

ARTICLE VIII **SALE OR OTHER ALIENATION**

8.01 Sale or Lease by a Unit Owner - First Option to Board. If any Unit Owner, other than the Declarant, shall desire at any time to sell or lease his Unit Ownership, other than to a co-owner of the same Unit, he shall first give the Board at least thirty (30) days' prior written notice of the proposed sale or lease, which notice shall state the name and address and financial and personal references of the proposed purchaser or lessee and the terms of the proposed sale or lease. During the period of thirty (30) days following the receipt by the Board of such written notice, the Board shall have the first right at its option to purchase or lease such Unit Ownership upon the same terms as the proposed sale or lease described in such notice.

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If the Board shall give written notice to such Unit Owner within said thirty (30) day period that it has elected not to exercise such option, or if the Board shall fail to give written notice to such Unit Owner within said thirty (30) day period that it does or does not elect to purchase or lease such Unit Ownership upon the terms set forth in said notice, then such Unit Owner may proceed to consummate said proposed sale or lease transaction at any time within the next ninety (90) days thereafter; and if he fails to consummate said proposed sale or lease transaction within said ninety (90) days, his Unit Ownership shall again become subject to the Board's right of first option as herein provided.

If the Board shall give written notice to such Unit Owner within said thirty (30) day period of its election to purchase or lease such Unit Ownership upon the same terms as the proposed sale or lease described in said written notice to it, then such purchase or lease by the Board shall be closed upon the same terms as such proposed sale or lease.

The Board shall have the authority to elect not to exercise such option and to give written notice of such election. A certificate executed and acknowledged by the president or secretary of the Board, certifying that the Board has elected not to exercise such option to purchase or lease such Unit Ownership upon the terms of such proposed sale or lease, shall be conclusive evidence of such election by the Board and of the compliance with the provisions hereof by the Unit Owner proposing to make such proposed sale or lease. Such certificate shall be furnished to such Unit Owner upon his compliance with the provisions hereof.

If the Board shall adopt a resolution recommending that it shall exercise its option to purchase or lease such Unit Ownership upon the terms of such proposed sale or lease, the Board shall promptly call a meeting of all the Unit Owners for the purpose of voting upon such option, which meeting shall be held within said thirty (30) day period. If Unit Owners owning not less than seventy-five percent (75%) in the aggregate in interest of the undivided ownership of the Common Elements by affirmative vote at such meeting, authorize the Board to exercise such option to make such purchase or lease, then the Board shall promptly give written notice of such election as herein provided. In such event, such purchase or lease by the Board shall be closed and consummated, and, for such purpose, the Board shall have the authority to make such mortgage or other financing arrangements, and to make such assessments proportionately among all the respective Unit Owners, and to make such other arrangements, as the Board may deem desirable in order to close and consummate such purchase or lease of such Unit Ownership by the Board.

If the Board shall make any such purchase or lease of a Unit Ownership as herein provided, the Board or its nominee shall hold the same for the benefit of the remaining Unit Owners and shall have the authority at any time thereafter to sell or sublease such Unit Ownership upon such terms as the Board shall deem desirable, and all of the net proceeds or deficit therefrom shall be applied among, or charged to, such

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remaining Unit Owners in proportion to their respective interests in such Unit Ownership.

If a proposed lease of any Unit Ownership is made by any Unit Owner, after compliance with the foregoing provisions, a copy of the lease as and when executed shall be furnished by such Unit Owner to the Board, and the lessee thereunder shall be bound by and be subject to all of the obligations of such Unit Owner with respect to such Unit Ownership as provided in this Declaration and the By-Laws, and the lease shall expressly so provide. The Unit Owner making any such lease shall not be relieved thereby from any of his obligations. Upon the expiration or termination of such lease, or in the event of any attempted subleasing thereunder, the provisions hereof with respect to the Board's right of first option shall apply to such Unit Ownership.

If any sale or lease of a Unit Ownership is made or attempted by any Unit Owner without complying with the foregoing provisions, such sale or lease shall be subject to each and all of the rights and options of the Board hereunder and each and all of the remedies and actions available to the Board or at law or in equity in connection therewith.

The foregoing provisions with respect to the Board's right of first option as to any proposed sale or lease shall be and remain in full force and effect until the Property as a whole be sold or removed from the provisions of the Act, as provided in the Act, unless sooner rescinded or amended by the Unit Owners in the manner herein provided for amendments of this Declaration. The Board may adopt rules and regulations from time to time, not inconsistent with the foregoing provisions, for the purpose of implementing and effectuating the foregoing provisions.

For the purpose of this Article, the word "Owner" shall include any beneficiary of a trust, shareholder of a corporation or partner of a partnership holding legal title to a Unit Ownership, and the term "Unit Ownership" shall include the beneficial interest, shares or partnership interest, as the case may be, held by such Owner.

8.02 Gift. Any Unit Owner who wishes to make a gift of his Unit Ownership or any interest therein to any person or persons who would not be heirs at law of the Owner under the Rules of Descent of the State of Illinois were he or she to die within ninety (90) days prior to the contemplated date of such gift, shall give to the Board not less than ninety (90) days' written notice of his or her intent to make such gift prior to the contemplated date thereof, together with the name and address of the intended donee and the contemplated date of said gift. The Board, acting on behalf of the Unit Owners as hereinafter provided, shall at all times have the first right and option to purchase such Unit Ownership or interest therein for cash at fair market value to be determined by arbitration as herein provided, which option shall be exercisable until the date of expiration as provided herein. Within fifteen (15) days after receipt of said written notice by the Board, the Board and the Owner desiring to make such gift shall each appoint a qualified real estate appraiser to act as arbitrators. The two arbitrators so appointed shall within ten (10) days after their appointment, appoint another qualified real estate

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appraiser to act as the third arbitrator. Within fifteen (15) days after the appointment of said arbitrator, the three (3) arbitrators shall determine, by majority vote, the fair market value of the Unit Ownership or interest therein which the Owner contemplates conveying by gift, and shall thereupon give written notice of such determination to the Owner and the Board. The Board's option to purchase the Unit Ownership or interest therein shall expire forty-five (45) days after the date of receipt by it of such notice.

8.03 Devise. In the event any Owner dies leaving a will devising his or her Unit Ownership, or any interest therein, to any person or persons not heirs-at-law of the deceased Unit Owner under the Rules of Descent of the State of Illinois, and said will is admitted to probate, the members of the Board and their successors in office, acting on behalf of the Unit Owners as hereinafter provided, shall have a like option (to be exercised in the manner hereinafter set forth) to purchase said Unit Ownership or interest therein either from the devisee or devisees thereof named in said will, or, if a power of sale is conferred by said will upon the personal representative named therein, from the personal representative acting pursuant to said power, for cash at fair market value which is to be determined by arbitration. Within sixty (60) days after the appointment of a personal representative for the estate of the deceased Owner, the Board shall appoint a qualified real estate appraiser to act as an arbitrator, and shall thereupon give written notice of such appointment to the said devisee or devisees or personal representative, as the case may be. Within fifteen (15) days thereafter, said devisee or devisees, or personal representative, as the case may be, shall appoint a qualified real estate appraiser to act as an arbitrator. Within ten (10) days after the appointment of said arbitrator, the two so appointed shall appoint another qualified real estate appraiser to act as the third arbitrator. Within fifteen (15) days thereafter, the three arbitrators shall determine, by majority vote, the fair market value of the Unit Ownership or interest therein devised by the deceased Owner, and shall thereupon give written notice of such determination to the Board, and said devisee or devisees, or personal representative, as the case may be. The Board's right to elect to purchase the Unit Ownership or interest therein at the price determined by the three arbitrators shall expire sixty (60) days after the date of receipt by it of such notice if the personal representative of the deceased Owner is empowered to sell, and shall expire eight (8) months after the appointment of a personal representative who is not so empowered to sell. The Board shall be deemed to have exercised its option if it tenders the required sum of money (directly or in escrow, pending title clearance) to said devisee or devisees or to said personal representative, as the case may be, within the said option periods. Nothing herein contained shall be deemed to restrict the right of the Board or its authorized representative, pursuant to authority given to the Board by the Owners as hereinafter provided, to bid at any sale of the Unit Ownership or interest therein of any deceased Owner which said sale is held pursuant to an order or direction of the court having jurisdiction over that portion of the deceased Owner's estate which contains his or her Unit Ownership or interest therein.

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8.04 Involuntary Sale.

(a) In the event any Unit ownership or interest therein is sold at a judicial or execution sale (other than a mortgage foreclosure sale), the person acquiring title through such sale shall, before taking possession of the Unit so sold, give thirty (30) days' written notice to the Board of his intention so to do, whereupon the members of the Board of Managers and their successors in office, acting on behalf of consenting Unit Owners as hereinafter provided, shall have an irrevocable option to purchase such Unit Ownership or interest therein at the same price for which it was sold at said sale. If said option is not exercised by the Board within said thirty (30) days after receipt of such notice, it shall thereupon expire and said purchaser may thereafter take possession of said Unit. The Board shall be deemed to have exercised its option if it tenders the required sum of money (directly or in escrow pending title clearance) to the purchaser within said thirty (30) day period.

(b) In the event any Owner shall default in the payment of any monies required to be paid under the provisions of any mortgage or trust deed against his Unit Ownership, the Board shall have the right to cure such default by paying the amount so owing to the party entitled thereto, and shall thereupon have a lien therefor against such Unit Ownership, which Lien shall have the same force and effect and may be enforced in the same manner as provided in Article VI.

ARTICLE IX **INSURANCE/CONDEMNATION/RESTORATION**

9.01 Insurance. The Association at all times shall maintain:

(a) Property Insurance. Property insurance (1) on the Common Elements and the Units, including the Limited Common Elements and except as otherwise determined by the Board of Managers, the bare walls, floors, and ceilings of the Unit, (2) providing coverage for special form causes of loss, and (3) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements, at the time the insurance is purchased and at each renewal date.

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

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Elements. The insurance must cover claims of one or more insured parties against other insured parties.

(c) Fidelity Bond; Directors and Officers Coverage.

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

(2) All management companies that are responsible for the funds held or administered by the Association must be covered by a fidelity bond for the maximum amount of coverage available to protect those funds. The Association has standing to make a loss claim against the bond of the managing agent as a party covered under the bond.

(3) For purposes of paragraphs (1) and (2), the fidelity bond must be in the full amount of Association funds and reserves in the custody of the Association or the management company.

(4) The Board of Managers must obtain directors and officer's liability coverage at a level deemed reasonable by the Board, if not otherwise established by the Declaration or By-Laws. Directors and officer's liability coverage must extend to all contracts and other actions taken by the Board in their official capacity as directors and officers, but this coverage shall exclude actions for which the directors are not entitled to indemnification under the Illinois Condominium Property Act, the General Not For Profit Corporation Act of 1986 or the Declaration and By-Laws of the Association.

(d) Contiguous Units; Improvements and Betterments. The insurance maintained under paragraph (a) must include the Units, the Limited Common Elements except as otherwise determined by the Board of Managers, and the Common Elements. The insurance need not cover improvements and betterments to the Units installed by Unit Owners, but if improvements and betterments are covered, any increased cost may be assessed by the Association against the Units affected. Common Elements include fixtures located within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual units initially installed by the Developer. Common Elements exclude floor, wall, and ceiling coverings. "Improvements and betterments" means all decorating, fixtures, and furnishings installed or added to and located within the boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, or built-in cabinets installed by Unit Owners.

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(e) Payment of Deductibles. In the event of an insurance claim, the following is applicable:

(1) The Unit Owner of the Unit that caused damage to common areas or limited common areas, the Unit Owner shall be responsible for the repair of such damage.

(2) Unit to Unit damage, and any deductible that may be involved, shall be handled amongst the Unit Owner's and not the Association.

(f) Other Coverages. Within the discretion of the Board, the Association may carry any other insurance, including workers compensation, employment practices, environmental hazards, and equipment breakdown that the Board of Managers considers appropriate to protect the Association, the Unit Owners, or officers, directors, or agents of the Association.

(g) Insured Parties; Waiver of Subrogation. Insurance policies carried pursuant to paragraphs (a) and (b) must include each of the following provisions:

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

(2) The insurer waives its right to subrogation under the policy against any Unit Owner of the Condominium or Members of the Unit Owner's household and against the Association and members of the Board of Managers.

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

(h) Primary Insurance. If at the time of a loss under the policy there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the Association's policy is primary insurance.

(i) Adjustment of Losses; Distribution of Proceeds. Any loss covered by the property policy under paragraph (a) must be adjusted by and with the Association. The insurance proceeds for that loss must be payable to the Association, or to an insurance trustee designated by the Association for that purpose. The insurance trustee or the Association must hold any insurance proceeds in trust for Unit Owners and secured parties as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged Common Elements, the bare walls, ceilings, and floors of the Units, and then to any improvements and betterments the Association may insure. Unit Owners are not entitled to receive any portion of the proceeds unless there is a

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surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Association has been terminated as trustee.

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

(k) Certificates of Insurance. Contractors and vendors (except public utilities) doing business with the Association under contracts exceeding \$1,000 per year must provide certificates of insurance naming the Association, its Board of Managers, and its managing agent as additional insured parties.

(l) Settlement of Claims. Any insurer defending a liability claim against the Association must notify the Association of the terms of the settlement no less than ten days (10) before settling the claim. The Association may not veto the settlement unless otherwise provided by contract or statute.

(m) Miscellaneous. All policies of insurance of the character described in above:

(1) shall name as insured the Board, as trustees for the Unit Owners, in the percentages established in Exhibit B to this Declaration; and shall also name as an assured the Insurance Trustee described in herein, as the respective interests of all of such assureds may appear;

(2) shall be without contribution as respects other such policies of insurance carried individually by the Unit Owners, whether such other insurance covers their respective Units or the additions and improvements made by such Unit Owners to their respective Unit;

(3) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefore, such option shall not be exercisable in the

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event the Unit Owners elect to sell the Property or remove the Property from the provisions of the Act;

(4) shall contain an endorsement to the effect that such policy shall not be terminated for nonpayment of premiums without at least ten (10) days' prior written notice to the First Mortgagee of each Unit Ownership;

(5) may contain an endorsement extending coverage so as to include the payment of Common Expenses with respect to damaged Units during the period of reconstruction thereof. Notwithstanding the issuance of standard mortgage clause endorsements under the policies of insurance of the character described herein, any losses under such policies shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed, in accordance with the provisions of this Declaration; and

(6) shall name as insureds the Association, the Board, its managing company, and the other agents and employees of such Association, Board and managing company and shall also provide coverage for each Unit Owner (but as to the insurance described above, only with respect to those portions of the Property not reserved for their exclusive use. In addition, all policies of insurance of the character described in this Article shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the managing agent, their respective employees and agents, and the Unit Owners and Occupants.

(n) Payment of Premiums. The Association, for the benefit of the Unit Owners and the First Mortgagee of each Unit Ownership, shall pay the premiums and obtain a binder on the policies of insurance described in this Article at least thirty days (30) prior to the expiration date of the respective policies, and upon written request therefore, shall notify the First Mortgagee of each Unit Ownership of such payment within ten days (10) after the date on which payment is made.

(o) Loss. Loss, if any, under any policies of insurance of the character described in this Article shall be adjusted with the Board, and the insurance proceeds on account of any such loss shall be paid and applied as follows:

(1) To the Board, as trustee for each of the Unit Owners in their respective percentages of ownership in the Common Elements as established in this Declaration, in the case of any one loss, of Fifty Thousand and No/100 Dollars (\$50,000.00) or less in the aggregate, which insurance proceeds, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be applied to the payment of the cost of restoring the Property to substantially the same

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condition as it existed immediately prior to such damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before, free from vendor's, mechanics', materialman's, and other similar liens; or

(2) In the case of any one loss exceeding Fifty Thousand and No/100 Dollars (\$50,000.00) in the aggregate, then the insurance proceeds shall be paid to the bank, which corporation is hereby designated by the Board to act as trustee for the Board (the "Insurance Trustee") pursuant to the Act for the purpose of collecting and disbursing the insurance proceeds described in this subparagraph (ii). If such entity (or its successor appointed pursuant hereto) shall fail or cease for any reason to act as the Insurance Trustee, then the Board shall, pursuant to the Act, appoint as successor Insurance Trustee a corporation qualified to accept and execute trusts in the State of Illinois and having a capital of not less than Five Million and No/100 Dollars (\$5,000,000.00). Such proceeds, less the actual cost, fees, and expenses, if any, incurred in connection with the adjustment of the loss, and the fees of the Insurance Trustee, shall be applied by the Insurance Trustee to the payment of the cost of restoring the Property to substantially the same condition as it existed immediately prior to such damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before. Such proceeds shall be paid by the Insurance Trustee to or for the account of the Association, from time to time as work progresses, in such manner as shall be required to facilitate the restoration of the Property in accordance with the provisions of the Act. The Association and the Insurance Trustee may, prior or subsequent to any such loss, enter into an insurance trust agreement further implementing the provisions of the Act and this Declaration with respect to the collection and disbursement of proceeds of insurance by the Insurance Trustee.

9.02 Repair or Reconstruction.

(a) In the case of damage by fire or other disaster to a portion of the Condominium Property (a "Damaged Improvement") where the insurance proceeds are sufficient to repair or reconstruct the Damaged Improvement, then the proceeds shall be used by the Association to repair or reconstruct the Damaged Improvement.

(b) In the case of damage by fire or other disaster to a portion of the Condominium Property where the insurance proceeds are insufficient to repair or reconstruct the Damaged Improvement as provided under the Act or the Damaged Improvement cannot be reconstructed as originally designed and built because of zoning, building or other applicable laws, ordinances or regulations, the following procedure shall be followed:

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(1) A meeting of the Owners shall be held not later than the first to occur of (A) the expiration of thirty (30) days after the final adjustment of the insurance claims or (B) the expiration of ninety (90) days after the occurrence which caused the damage.

(2) At the meeting, the Board shall present a plan for the repair or reconstruction of the Damaged Improvement and an estimate of the cost of repair or reconstruction, together with an estimate of the amount thereof which must be raised by way of special assessment and a proposed schedule for the collection of a special assessment to pay the excess cost.

(3) A vote shall then be taken on the question of whether or not the Damaged Improvement shall be repaired or reconstructed based on the information provided by the Board under (ii) above, including the proposed special assessment. The Damaged Improvement shall be repaired or reconstructed and the proposed special assessment shall be levied only upon the affirmative vote of Voting Members representing at least three-fourths (3/4) of the votes cast.

(4) If the Voting Members do not vote to repair or reconstruct the Damaged Improvement at the meeting provided for above, then the Board may, at its discretion, call another meeting or meetings of the Owners to reconsider the question of whether or not the Damaged Improvement shall be repaired or reconstructed. If the Voting Members do not vote to repair or reconstruct the Damaged Improvement within one hundred eighty (180) days after the occurrence which caused the damage, the Board may (but shall not be obligated to) in its discretion (but subject to the provisions herein) Record a notice as permitted under the Act.

(c) If the Damaged Improvement is repaired or reconstructed, it shall be done in a workmanlike manner and the Damaged Improvement, as repaired or reconstructed, shall be substantially similar in design and construction to the improvements on the Condominium Property as they existed prior to the damage, with any variations or modifications required to comply with applicable law.

(d) If the Damaged Improvement is not repaired or reconstructed, then the damaged portion of the Building shall be razed, or secured and otherwise maintained in conformance with the rules or standards adopted from time to time by the Board.

9.03 Condemnation.

(a) In the case of a taking or condemnation by competent authority of any part of the Condominium Property, the Association shall, if necessary,

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restore the improvements in the remaining portion of the Condominium Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed prior to the taking or condemnation. Any proceeds or awards paid to the Association shall be applied first to the cost of any restoration and any remaining portion of such proceeds or awards shall be, in the discretion of the Board, either (1) applied to pay the Common Expenses or (2) distributed to the remaining Owners and their respective First Mortgagees, as their interests may appear, based on their current Undivided Interests. Each Owner appoints the Association as attorney-in-fact for the purpose of representing him in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements or any part thereof.

(b) In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Declaration and the Act and the court which has jurisdiction of the action shall adjust the Undivided Interests of the remaining Units in a just and equitable manner and as provided under the Act, and if the court fails to make such adjustment, such adjustment may be made by the Board. The President and Secretary of the Association shall execute and Record an instrument on behalf of the Association as required by the Act which amends this Declaration, effective as of the effective date of the taking or condemnation, to reflect the removal of property and adjustments, if any, in the Undivided Interests as a result of an occurrence covered by this Section. From and after the effective date of the amendment referred to in the preceding sentence, the Owner of a Unit which is removed in part or in whole from the provisions of this Declaration shall only be liable for the payment of assessments based on the Undivided Interest, if any, allocated to the Unit in the amendment.

ARTICLE X **REMEDIES**

10.01 Violations. Upon the occurrence of any one or more of the following events, the Board shall have the rights and remedies set forth in Section 10.02 of this Declaration:

(a) Failure by a Unit Owner to pay when due any sums required to be paid by such Unit Owner pursuant to the provisions of this Declaration for thirty (30) days after written notice of such non-payment shall have been given such Unit Owner; provided that such defaulting Unit Owner shall not be entitled to written notice and opportunity to cure such failure if such Unit Owner has been given three (3) or more notices pursuant to this Section 10.01(a) during the twelve-month period immediately preceding the first day of such failure.

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(b) Violation or breach by a Unit Owner or an Occupant of any provision, covenant or restriction of the Act, this Declaration, the By-Laws, contractual obligation to the Board or Association undertaken by such Unit Owner, or rules and regulations promulgated by the Board, and continuation of such violation or breach for thirty (30) days after written notice thereof shall have been given such Unit Owner; provided that such defaulting Unit Owner shall not be entitled to written notice and opportunity to correct such violation or breach if such Unit Owner has been given three (3) or more notices pursuant to this Section 10.01(b) during the twelve-month period immediately preceding the first day of such violation or breach.

10.02 Remedies. Upon the occurrence of any one or more of the events described in Section 10.01, the Board shall have the following rights and remedies:

(a) The Board shall have the right to immediate possession of the defaulting Unit Owner's Unit after service by the Board on such Unit Owner, in the manner set forth herein, of a notice to quit and deliver up possession, which right may be enforced by an action for possession under Article IX of the Code of Civil Procedure, as amended.

(b) For a violation or breach described in Section 10.01(b) hereof, the Board shall have the right:

(1) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove or do whatever else may be necessary to correct, at the expense of the defaulting Unit Owner, any such violation or breach or the cause of such violation or breach, and the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or

(2) to enjoin, abate, or remedy by a proceeding at law or in equity the continuance of any such violation or breach provided, however, that no summary abatement shall be undertaken in connection with any alteration or demolition of improvements until judicial proceedings are instituted.

(c) Upon the occurrence of one of the events described in Section 10.01(a) hereof, including, without limitation, failure by a Unit Owner to pay his percentage share of Common Expenses or user charges, the Board shall have a lien on the interest of the defaulting Unit Owner in his Unit Ownership in the amount of any sums due from such Unit Owner; provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Unit Owner. Except as hereinafter provided, the lien provided for in this Section 10.02(c) shall not be affected by any transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure, such transfer of

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title shall, to the extent permitted by law, extinguish the lien described in this Section 10.02(c) for any sums which became due prior to (1) the date of the transfer of title or (2) the date on which the transferee comes into possession of the Unit Ownership, whichever occurs first. However, the transferee of a Unit Ownership shall be liable for his share of any sums with respect to which a lien against his Unit Ownership has been extinguished pursuant to the preceding sentence which are reallocated among the Unit Owners pursuant to a subsequently adopted annual revised or special assessment, and non-payment thereof by such transferee shall result in a lien against the transferee's Unit Ownership as provided in this Section 10.02(c).

(d) The Board shall have the power to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate the right of said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use, or control his Unit Ownership and thereupon an action may be filed by the Board against the defaulting Unit Owner for a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him and ordering that all the right, title and interest of said defaulting Unit Owner in the Property shall be sold at a judicial sale, upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the defaulting Unit Owner from re-acquiring his interest in the Unit Ownership at such judicial sale. It shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit Ownership sold subject to this Declaration. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments or other sums due hereunder or any liens, shall be paid to the defaulting Unit Owner. Upon the confirmation of such sale, the purchaser at such sale shall be entitled to a deed to the Unit Ownership and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession.

(e) In addition to or in conjunction with the remedies set forth above, the Board or its agents shall have the right to bring an action at law or in equity against the Unit Owner or Occupant as permitted by law including, without limitation, an action (1) to foreclose a lien against the Unit Ownership, (2) for damages, injunctive relief, or specific performance, (3) for judgment or for the payment of money and the collection thereof, (4) for any combination of the remedies set forth in this Article or (5) for any other relief which the Board may deem necessary or appropriate. Any and all rights and remedies provided for in the Act, this Declaration, any contractual obligation to the Board or Association undertaken by such Unit Owner, or rules and regulations promulgated by the Board may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to exercise any

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such rights or remedies to enforce any provisions of this Declaration, the By-Laws or rules and regulations of the Board shall in no event be deemed a waiver of the right to do so thereafter.

(f) Upon the occurrence of one of the events described in Section 10.01(a), the Board may accelerate the maturity of the remainder of installments of Common Expenses due from such defaulting Unit Owner for the balance of the assessment year.

(g) All expenses incurred by the Board in connection with any actions, proceedings or self-help in connection with the exercise of its rights and remedies under this Article, including, without limitation, court costs, reasonable attorneys' fees and all other fees and expenses, and all damages, together with interest thereon at the rate of eighteen percent (18%) per annum (or such lesser rate charged by law should 18% be held to be in excess of the maximum legal rate allowable by law), shall be charged to and assessed against the defaulting 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 the Unit Ownership of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all his personal property in his Unit or located elsewhere on the Property.

10.03 Enforcement by Unit Owners. Any aggrieved Unit Owner may enforce the provisions of this Declaration, the By-Laws, or any rules and regulations promulgated by the Board by an action at law or in equity against the defaulting Unit Owner or Occupant upon a violation or breach described in Section 10.01(b) hereof against any person or persons either to restrain such violation or breach or to recover damages.

ARTICLE XI GENERAL PROVISIONS

11.01 Severability. Invalidation of all or any portion of any of the easements, restrictions, covenants, conditions and reservations, by legislation, judgment or court order shall not affect any liens, charges, rights, benefits and privileges and other provisions of this Declaration, which shall remain in full force and effect.

11.02 Notices. Any notice required to be sent 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 Owner as it appears on the records of the Association at the time of such mailing, or upon personal delivery to the Owner's Unit.

11.03 Captions/Conflicts. The Article and Section headings herein are intended for convenience only and shall not be construed with any substantive effect in

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this Declaration. In the event of any conflict between the statements made in the recitals to this Declaration and the provisions contained in the body of this Declaration, the provisions contained in the body of this Declaration shall govern.

11.04 Perpetuities and Other Invalidity. If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provisions, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the President of the United States at the time of Recording of this Amended and Restated Declaration.

11.05 Title Holding Land Trust. In the event title to any Unit Ownership is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all assessments, charges or payments hereunder and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit Ownership. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Unit Ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Unit Ownership.

11.06 Non-Waiver of Covenants. 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.

11.07 Waiver of Damages. Neither the Trustee, nor its beneficiary, nor their respective representatives or designees, shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities granted to or delegated to it by or pursuant to this Declaration, or in the Trustee's (or its beneficiary or their respective representative's or designee's) capacity as developer, contractor, Owner, manager or seller of the Property, whether or not such claim (a) shall be asserted by any Owner, occupant, the Board or the Association, or by any person or entity claiming through any of them; or (b) shall be on account of injury to person or damage to or loss of property wherever located and however caused; or (c) shall arise ex contractu or (except in case of gross negligence) ex delictu. Without limiting the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the property or any part thereof being or becoming out of repair or containing any patent or latent defects, or by reason of any act or neglect of any Owner, Occupant, the Board, the Association, and their respective agents, employees, guests,

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and invitees, or by reason of any neighboring property or personal property located on or about the Property, or by reason of the failure to function, or disrepair of, any utility services (heat, air conditioning, electricity, gas, water, sewage, etc.).

11.08 Amendments to Declaration. The provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed by Unit Owners of at least seventy-five percent (75%) of the Units as determined by their respective proportions of the Common Elements, and certified by the secretary of the Board; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by said secretary certifying to such mailing is a part of such instrument.

Notwithstanding the provisions of the foregoing paragraph, if the Act, or this Declaration, or the By-Laws, requires the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action, shall be signed by all the Unit Owners or all lien holders or both as required by the Act or this Declaration.

The change, modification or rescission, whether accomplished under either of the provisions of the preceding two paragraphs, shall be effective upon recordation of such instrument in the office of the Recorder of Deeds of Cook County, Illinois; provided, however, that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Condominium Property Act.

The foregoing Amended and Restated Declaration of Condominium Ownership for Pheasant Creek Condominium Association #2 is hereby approved by at least two-thirds (2/3rds) of the members of the Board of Directors of the Association.

DATE: June 3, 2004.

Debra McCallan

Dorothy E. Pever

John N. Emery

John J. [Signature]

Alan [Signature]

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EXHIBIT A LEGAL DESCRIPTION and UNIT ADDRESSES, P.I.N.s and PERCENTAGES OF OWNERSHIP

A parcel of land contained within a tract described as: That part of lots 'A' and 'B' (except the north 520.0 feet of the west 742.0 feet of said lot 'A') in White Plains Unit 7, being a subdivision in Section 8, Township 42 north, Range 12, east of the third principal meridian, described as commencing at the southwest corner of said lot 'B' and running thence north 00° 18' 35" east along the west line of said lots 'B' and 'A' 817.0 feet to the southwest corner of said north 520.0 feet of the west 742.0 feet of lot 'A'; thence north 89° 36' 55" east along the south line of said north 520.0 feet, a distance of 742.0 feet to the southeast corner of said north 520.0 feet of the west 742.0 feet; thence north 00° 18' 35" east along the east line of said west 742.0 feet, a distance of 190.0 feet; thence south 89° 41' 25" east at right angles to last described course, a distance of 45.0 feet; thence south 00° 18' 35" west 66.33 feet; thence south 24° 39' 44" east 357.85 feet; thence south 65° 20' 16" west 98.45 feet; thence south 24° 39' 44" east 322.25 feet; thence south 65° 20' 16" west 64.0 feet; thence south 16° 01' 55" east 60.44 feet; thence south 89° 38' 07" west 211.50 feet; thence south 9° 52' 44" east 149.20 feet to a point on the northerly line of lot 4 in block 120 in said White Plains Unit 7, said point being 53.39 feet westerly as measured along said northerly line of lot 4, of the northeasterly corner of said lot 4; thence in a general westerly direction along the southerly boundary of said lot 'B' to the southwest corner of said lot 'B' and the place of beginning, said parcel being more particularly described as: Commencing at a point in the west line of said tract 283.94 feet south 00° 18' 35" west from the northwest corner thereof; thence south 89° 41' 25" east at right angles thereto a distance of 61.09 feet to the place of beginning of parcel herein described; thence south 24° 40' 38" east 24.37 feet; thence south 65° 19' 22" west 15.0 feet; thence south 24° 40' 38" east 34.0 feet; thence south 65° 19' 22" west 10.0 feet; thence south 24° 40' 38" east 24.0 feet; thence south 65° 19' 22" west 10.0 feet; thence south 24° 40' 38" east 24.0 feet; thence south 65° 19' 22" west 10.0 feet; thence south 24° 40' 38" east 24.0 feet; thence north 65° 19' 22" east 10.0 feet; thence south 24° 40' 38" east 33.44 feet; thence north 65° 19' 22" east 32.0 feet; thence south 24° 40' 38" east 25.0 feet; thence north 65° 19' 22" east 51.0 feet; thence north 24° 40' 38" west 45.0 feet; thence south 65° 19' 22" west 19.0 feet; thence north 24° 40' 38" west 50.81 feet; thence north 65° 19' 22" east 10.04 feet; thence north 24° 40' 38" west 24.0 feet; thence north 65° 19' 22" east 9.96 feet; thence north 24° 40' 38" west 24.0 feet; thence north 65° 19' 22" east 12.0 feet; thence north 24° 40' 38" west 69.0 feet; thence south 65° 19' 22" west 51 feet to the place of beginning, all in Cook County, Illinois

Street Address (all in NORTHBROOK, IL 60062)	P.I.N.		Percentage Of Interest
930 Spring Hill Drive	04-08-200-022-	1001	5.7638
932 Spring Hill Drive	04-08-200-022-	1002	5.7638
934 Spring Hill Drive	04-08-200-022-	1003	5.7638
936 Spring Hill Drive	04-08-200-022-	1004	5.7638

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Street Address (all in NORTHBROOK, IL 60062)	P.I.N.		Percentage Of Interest
938 Spring Hill Drive	04-08-200-022-	1005	5.7638
940 Spring Hill Drive	04-08-200-022-	1006	5.7638
3128 Pheasant Creek Drive	04-08-200-022-	1007	5.7638
3130 Pheasant Creek Drive	04-08-200-022-	1008	5.7638
3132 Pheasant Creek Drive	04-08-200-022-	1009	5.7638
3134 Pheasant Creek Drive	04-08-200-022-	1010	5.7638
3136 Pheasant Creek Drive	04-08-200-022-	1011	5.7638
1003 Spring Hill Drive	04-08-200-022-	1012	6.0997
1005 Spring Hill Drive	04-08-200-022-	1013	6.0997
1007 Spring Hill Drive	04-08-200-022-	1014	6.0997
1009 Spring Hill Drive	04-08-200-022-	1015	6.0997
1011 Spring Hill Drive	04-08-200-022-	1016	6.0997
1013 Spring Hill Drive	04-08-200-022-	1017	6.0997
			100.0000

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EXHIBIT B

THE BY-LAWS OF THE PHEASANT CREEK CONDOMINIUM ASSOCIATION #2 an Illinois not-for-profit corporation

ARTICLE I Name of Corporation

1.01 NAME OF CORPORATION: The name of this corporation is Pheasant Creek Condominium Association #2.

ARTICLE II Purpose and Powers

2.01 PURPOSES: The purposes of this Association are to act on behalf of its members collectively, as their governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare of the members of the Association, all on a not-for-profit basis. These By-Laws are attached as Exhibit B to the Amended and Restated Declaration of Condominium Ownership for the Pheasant Creek Condominium Association #2 ("Declaration"). All terms used herein shall have the meanings set forth in the Declaration.

2.02 POWERS: The Association shall have and exercise all powers as are now or may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois, the Illinois Condominium Property Act ("Act"), the Declaration and these By-Laws.

2.03 PERSONAL APPLICATION: All present or future Owners, tenants, future tenants, and their agents and employees, and any other person that might use the facilities of the Condominium Property in any manner, shall be subject to the provisions of the Declaration and these By-Laws. The acquisition or rental of a Unit or the act of occupancy of a Unit will signify that the Declaration and these By-Laws are accepted, ratified and will be complied with.

ARTICLE III Offices

3.01 REGISTERED OFFICE: The Association shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Illinois as the Board may from time to time determine.

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3.02 PRINCIPAL OFFICE: The Association's principal office shall be maintained on the Property or at the office of the managing agent engaged by the Association.

ARTICLE IV **Meetings of Members**

4.01 ADMINISTRATION OF THE PROPERTY: The direction and administration of the Property shall be vested in the Board of Directors (herein sometimes referred to as the "Board"), which shall consist of at least five (5) persons who shall be elected in the manner hereinafter set forth. The number of Directors may be increased or decreased by a vote of a majority of the Board. Each member of the Board shall be one of the Unit Owners; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any designated agent of such corporation, partnership, or other legal entity, or beneficiary of such trust, shall be eligible to serve as a member of the Board, so long as any such agent resides on the Property. If a Unit Owner owns more than one Unit Ownership and is a corporation, partnership, trust or other legal entity, other than a natural person, then any number of agents or beneficiaries of such Unit Owner may be directors, provided that the number of such Unit Owner's agents or beneficiaries who become directors shall not exceed the number of Unit Ownerships owned by such Unit Owner.

4.02 ASSOCIATION: Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, and such membership shall automatically terminate when he ceases to be a Unit Owner, and upon the transfer of his ownership interest, the transferee thereof shall likewise succeed to such membership in the Association. The Association shall have one class of membership.

4.03 VOTING RIGHTS: The Association shall have one class of membership. There shall be one individual with respect to each Unit who shall be entitled to vote at any meeting of the Owners (the "Voting Member"). If the Owner of a Unit is one individual, then such individual shall be the Voting Member. If the Record ownership of a Unit shall be in more than one individual or if the Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member shall be designated by the Owner or Owners in writing to the Board, and if in the case of multiple individual Owners no designation is given, then the Board may, at its election, recognize an individual Owner of the Unit as the Voting Member for such Unit. Any or all Owners may be present at any meeting of the Owners, but the voting rights shall be vested exclusive in the Voting Members; provided, however, that a Voting Member may vote either in person or by proxy executed in writing by the Voting Member or his duly authorized attorney-in-fact and filed with the secretary before the meeting. No proxy shall be valid after eleven (11) months from the date of its execution. Each Voting Member shall have one vote for each Unit which he represents.

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4.04 PLACE OF MEETING; QUORUM: Meetings of the Owners shall be held on the Condominium Property or at such other place in Cook County and convenient to the Owners as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions of parliamentary procedure. Voting Members holding twenty percent (20%) of the votes, represented in person or by proxy, shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the Voting Members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the Voting Members, unless a greater proportion is required by the Act, the Declaration or these By-Laws. The affirmative vote of two-thirds (2/3) of the votes entitled to be cast shall be required for the following actions:

- (a) Merger or consolidation of the Association; and
- (b) Sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the property and assets of the Association.
- (c) The purchase or sale of the land or of the Units on behalf of all Owners.

4.05 ANNUAL MEETINGS: The annual meeting of the Owners shall be held during the month of March each year, at such time and on such date designated by the Board.

4.06 SPECIAL MEETINGS: Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Voting Members or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by the President, a majority of the Board or by Voting Members representing at least twenty percent (20%) of the votes.

4.07 NOTICE OF MEMBERSHIP MEETINGS: Written notice of any membership meeting shall be mailed or personally delivered and posted conspicuously on the Condominium Property, giving Owners not less than ten (10) nor more than thirty (30) days' notice of the time, place and purpose of the meeting.

ARTICLE V **Board of Managers**

5.01 IN GENERAL: The affairs of the Association and the direction and administration of the Condominium Property shall be vested in the Board, which shall consist of five (5) persons ("Directors"). The Board may vote to increase or decrease the number of Directors, provided, however, that at no time shall the number of Directors be less than three (3). The Board shall have all of the powers granted to it under the Act, the Declaration, these By-Laws and the General Not For Profit Corporation Act of the State of Illinois.

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5.02 ELECTION: The total number of votes of all Voting Members shall be one hundred (100), and each Owner or group of Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in Common Elements applicable to his or their Unit ownership as set forth in Exhibit B. The terms of at least one-third (1/3) of the persons on the Board shall expire annually and no Board member shall be elected to a term in excess of two (2) years. Each Director shall serve until his term expires or is terminated or until his successor shall have been elected and qualified. A Director may succeed himself in office. With respect to all elections of Directors, each member shall be entitled to cast his votes on a cumulative basis.

5.03 ANNUAL MEETINGS: The Board shall hold an annual Board meeting within ten (10) days after the annual meeting of the Owners at such place as shall be fixed by the Directors at annual meeting of the Owners.

5.04 REGULAR MEETINGS: Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting or, from time to time, by a majority of the Directors, and provided that not less than four (4) such meetings shall be held during each fiscal year.

5.05 SPECIAL MEETINGS: Special meetings of the Board may be called by the President or by at least two-thirds (2/3) of the Directors then serving.

5.06 NOTICE OF BOARD MEETINGS: Notice of each meeting of the Board shall be mailed or personally delivered to each Director at least forty-eight (48) hours prior to the meeting and notice of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be given to each Owner in the same manner as provided in Section 4.05 of these By-Laws, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. Notice of each meeting of the Board shall also be conspicuously posted on the Condominium Property at least forty-eight (48) hours prior to the meeting.

5.07 OPEN MEETINGS: Each meeting of the Board, to the extent required by law, shall be open to any Owner, subject to the exception for closed sessions, and, if required under the Act, notice of such meeting shall be mailed or personally delivered and posted conspicuously upon the Condominium Property 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 before the meeting is convened. The Board may adopt reasonable rules governing the conduct of the Owners who attend meetings and Owners who do not comply with such rules may be removed from the meeting.

5.08 QUORUM: A majority of the Directors serving from time to time shall constitute a quorum for the election of the officers and for the transaction of business at any meeting of the Board. Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

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5.09 COMPENSATION/REIMBURSEMENT FOR EXPENSES: No Director shall be compensated by the Association for services rendered to the Association, except as expressly provided in a resolution duly adopted by the Board and no less than two-thirds (2/3) of the Unit Owners. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as a Director.

5.10 REMOVAL OR RESIGNATION OF DIRECTOR: Any Director may be removed from office, with or without cause, by action of seventy-five percent (75%) of the Voting Members. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at a meeting. Any Director may resign at any time by submitting his written resignation to the Board. If a Director ceases to be an Owner or a Voting Member, he shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired term of a Director who resigns or is removed may be appointed by the Voting Members at the same meeting, or by a majority of the remaining Directors at any regular meeting or at any special meeting called for such purpose, and any successor so appointed shall serve the balance of his predecessor's term.

5.11 POWERS AND DUTIES OF THE BOARD: The Board shall have all of the powers and duties granted to it or imposed upon it by the Act, the Declaration, these By-Laws and the Illinois General Not For Profit Corporation Act, including, without limitation, the following powers and duties.

(a) Subject to the provisions of the Declaration, to engage the services of a manager or managing agent to assist the Association in performing and providing such services as the Association is required to provide to its members under the Declaration;

(b) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Association;

(c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Elements for which the Association is responsible under the Declaration and these By-Laws;

(d) To estimate and provide each Owner with an annual budget as provided for in the Declaration;

(e) To set, give notice of, and collect assessments from the Owners as provided in the Declaration;

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- (f) To pay the Common Expenses;
- (g) To adopt rules and regulations as provided in the Declaration;
- (h) To delegate the exercise of its power to committees appointed pursuant to Section 7.01 of these By-Laws;
- (i) To own, convey, encumber, lease or otherwise deal with Units or other real property conveyed to or purchased by the Association;
- (j) To incur liabilities, to borrow funds if necessary for Association purposes; to secure any of its obligations by pledge or assignment of the right for future income and accounts receivable; and
- (k) To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Condominium Property.

ARTICLE VI Officers

6.01 OFFICERS: The officers of the Association shall be a President, a Secretary and a Treasurer and such assistants to such officers as the Board may deem appropriate. All officers shall be elected at each annual meeting of the Board and shall hold office at the discretion of the Board. Officers may succeed themselves in office. Other than the President, a person may hold more than one office.

6.02 VACANCY OF OFFICE: Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the Directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

6.03 POWERS OF OFFICERS: The respective officers of the Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of an Illinois Not-For-Profit Corporation including, without limitation, the following:

(a) The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Owners and at all meetings of the Board and shall execute amendments to the Declaration and these By-Laws, as provided for in the Act, the Declaration and these By-Laws;

(b) The Secretary shall keep minutes of all meetings of the Owners and of the Board and shall have custody of the corporate seal of the Association and have charge of such other books, papers and documents as the Board may prescribe, and shall be responsible for giving and receiving all notices to be given to or by the Association under the Act, the Declaration or these By-Laws;

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(c) The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association books of accounts kept for such purpose. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

6.04 OFFICERS' COMPENSATION: The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by two-thirds (2/3) of the Voting Members.

ARTICLE VII Instruments, Checks, Deposits and Funds

7.01 EXECUTION OF INSTRUMENTS: The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument (including amendments to the Declaration or these By-Laws which must be executed by the Association) in the name of and on behalf of the Association and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary or an Assistant Secretary of the Association.

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

7.03 BANK ACCOUNTS: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board shall elect.

7.04 SPECIAL RECEIPTS: The Board may accept on behalf of the Association any contribution, gift, request, or devise for the general purposes or for any special purpose of the Association.

ARTICLE VIII Fiscal Management

8.01 FISCAL YEAR: The fiscal year of the Association shall be determined by the Board and may be changed from time to time as the Board deems advisable.

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8.02 ANNUAL STATEMENT: Within a reasonable time after the close of each fiscal year, the Board shall furnish each Owner with an itemized accounting of the Common Expenses for such fiscal year actually incurred or paid, together with an indication of which portion of the Common Expenses were incurred or paid for capital expenditures or repairs or the payment of the real estate taxes, and with a tabulation of the amounts collected pursuant to the Annual Assessment budget, and showing the net excess or deficit of income over expenditures plus reserves.

8.03 ASSESSMENT PROCEDURE: Annual assessments and special assessments shall be made and collected as provided in Section 6 of the Declaration, and the provisions of Section 6 are incorporated herein by reference.

ARTICLE IX **Books and Records**

9.01 BOOKS AND RECORDS: The Association shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the members. All books and records of the Association may be inspected by any Owner, or his agent, mortgagee or attorney, for any proper purpose at any reasonable time.

ARTICLE X **Seal**

10.01 SEAL: The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal", Illinois.

ARTICLE XI **Amendments**

11.01 AMENDING THE BY-LAWS: These By-Laws may be amended or modified at any time, or from time to time, by action or approval or seventy-five percent (75%) or more of each class of members; except the By-laws affecting the rights or interests of the Declarant shall not be amended or modified without the written consent of the Declarant.

UNOFFICIAL COPY

EXHIBIT C

CERTIFICATE OF MAILING

I, _____, state that I am the Secretary of the Board of Directors of The Pheasant Creek Condominium Association #2 and that a copy of the foregoing Amended and Restated Declaration of Condominium Ownership was either delivered personally to each Unit Owner at the Association or was sent by regular U.S. Mail, postage prepaid, to each Unit Owner in the Association at the address of the unit or such other address as the Owner has provided to the Board of Directors for purposes of mailing notices. I further state that the Unit Owners did not file a petition with the Board, pursuant to the requirements of Section 27(b)(3) of the Illinois Condominium Property Act, objecting to the adoption of this Amended and Restated Declaration.

By: _____

Title: Secretary

Sworn to and subscribed before me this
 _____ day of _____, 2004

 Notary Public

UNOFFICIAL COPY

EXHIBIT C

CERTIFICATE OF MAILING

I, Lynne Emery, state that I am the Secretary of the Board of Directors of The Pheasant Creek Condominium Association #2 and that a copy of the foregoing Amended and Restated Declaration of Condominium Ownership was either delivered personally to each Unit Owner at the Association or was sent by regular U.S. Mail, postage prepaid, to each Unit Owner in the Association at the address of the unit or such other address as the Owner has provided to the Board of Directors for purposes of mailing notices. I further state that the Unit Owners did not file a petition with the Board, pursuant to the requirements of Section 27(b)(3) of the Illinois Condominium Property Act, objecting to the adoption of this Amended and Restated Declaration.



By: Lynne Emery
 Title: Secretary

Sworn to and subscribed before me this
8th day of October, 2004

Mary T. Lambert
 Notary Public