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**AMENDED AND RESTATED  
DECLARATION OF CONDOMINIUM OWNERSHIP  
FOR  
GRACELAND COURT CONDOMINIUM ASSOCIATION**

**This document prepared by and after  
recording to be returned to:**

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## AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP FOR GRACELAND COURT CONDOMINIUM ASSOCIATION

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## AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP FOR GRACELAND COURT CONDOMINIUM ASSOCIATION

This Amended and Restated Declaration of Condominium Ownership is made and entered into by the Board of Managers of the Graceland Court Condominium Association 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 Condominium Ownership was approved on the 21<sup>st</sup> day of January, 2006, 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 Condominium Ownership 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 for Graceland Court Condominium Association was recorded in Cook County, Illinois on June 7, 1978 as Document No. 3022429 (the "Original Declaration"), thus creating the Graceland Court Condominium Association ("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 Original Declaration. This Amended and Restated Declaration of Condominium Ownership and of Easements, Restrictions and Covenants (hereafter "Declaration") is intended to bring the governing documents of the Association into conformance with the Act.

This Amended and Restated Declaration was approved by at least two-thirds (2/3) 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:

#### 1. DEFINITIONS

As used herein, unless the context otherwise requires:

- (a) "Act" means the "Condominium Property Act" of the State of Illinois.
- (b) "Declaration" means this instrument by which the property is submitted to the provisions of the Act, as hereinafter provided, and such Declaration as from time to time amended.

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- (c) "Parcel" means the parcel or tract of real estate, described in Exhibit A attached hereto and submitted to the provisions of the Act.
- (d) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including buildings and all easements, rights, and appurtenances belonging thereto, and all fixtures, equipment and furnishings intended for the mutual use, benefit or enjoyment of the Unit Owners.
- (e) "Unit" means a part of the Property, including one or more rooms and occupying one or more floors or a part or parts thereof, designed or intended for independent use as a one-family dwelling or such other incidental uses permitted by this Declaration, as set forth on Plat attached as EXHIBIT "B" to the Original Declaration. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes constituting the boundaries of such Unit as shown on the Plat; provided, however, that no structural components of a Building, and no pipes, wires, conduits, ducts, flues, shafts, or public utility lines situated within a Unit and forming part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of said Unit.
- (f) "Common Elements" means all of the Property, except the Units, and shall include, but shall not be limited to, the land, foundations, hallways, stairways, entrances and exits, common parking areas, storage areas, basement, roof, pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only said Unit), central heating, public utility lines, floors, ceilings and perimeter walls of Units (other than such portions thereof included within Unit boundaries as shown on the Plat), structural components of the Building, outside walks and driveways, landscaping, and all other portions of the Property except the individual Units. Structural components located within the boundaries of a Unit shall be part of the Common Elements.
- (g) "Limited Common Elements" means a portion of the Common Elements contiguous to and serving exclusively a single Unit or adjoining Units as an inseparable appurtenance thereto, including specifically, but not by way of limitation, balconies, and such portions of the perimeter walls, floors 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 designate other portions of the Common Elements as Limited Common Elements including, but not limited to, automobile parking spaces, storage lockers, rubbish collection areas, and such heating, plumbing and electrical fixtures and all associated pipes, ducts and wiring as may serve exclusively a single Unit or group of contiguous Units.

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- (h) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.
- (i) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit.
- (j) "Majority" or "Majority of the Unit Owners" means the owners of more than Fifty Percent (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 of the Common Elements. "Majority" or "Majority of the members of the Board of Managers" means more than 50% of the total number of persons constituting the Board of Managers pursuant to the bylaws. Any specified percentage of the members of the Board of Managers means that percentage of the total number of persons constituting such board pursuant to the bylaws.
- (k) "Unit Ownership" means a part of the Property consisting of one Unit and the undivided interests in the Common Elements appurtenant thereto.
- (l) "Building" means the building or buildings located on the Parcel and forming part of the Property and containing the Units, as shown by the surveys of the respective floors of said Building included in the Plat.
- (m) "Condominium Instruments" means all documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the declaration, bylaws and plat.
- (n) "Reserves" means those sums paid by Unit Owners which are separately maintained by the Board of Managers for purposes specified by the Board of Managers or the condominium instruments.

## 2. PLAT

The Plat attached the Original Declaration as EXHIBIT "B", and by this reference made a part hereof, sets forth the measurements elevations, locations and other data, as required by the Act, including (1) the parcel and its exterior boundaries; (2) the Building and each floor thereof; and (3) each Unit of the Building.

## 3. UNIT IDENTIFICATION

Each Unit is identified on the Plat by a distinguishing number or other symbol. The legal description of each Unit shall refer to such identifying number or symbol.

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## 4. ADMINISTRATION AND OPERATION OF THE PROPERTY

The governing body for all of the Unit Owners for the administration and operation of the Property, as provided in the Act and in this Declaration and in the By-Laws, shall be the Board of Managers who shall be elected in the manner provided in the By-Laws. The Board of Managers, if authorized by a majority of the Unit Owners, shall cause to be incorporated a not-for-profit corporation as provided by the Act, and in such event such corporation shall be the governing body for all of the Unit Owners for the administration and operation of the Property as provided in the Act and in this Declaration and in the By-Laws. The Board of Managers of such Corporation shall constitute the Board of Managers provided for in the Act, and all rights, titles, powers, privileges and obligations vested in or imposed upon the Board of Managers in this Act and in this Declaration and in the By-Laws shall be held or performed by the Corporation or by the duly elected members of the Board of Managers, thereof and their successors in office. The By-Laws for the governing body shall be the By-Laws appended hereto as EXHIBIT "B" and made a part hereof.

Whenever the word "Board" is used in this Declaration or in the By-Laws, it shall mean and refer to the Board of Managers if there is no Corporation, or if there is a Corporation, it shall mean and refer to said Corporation acting through its Board of Managers. The Board shall be elected by the Unit Owners in accordance with the By-Laws. Neither the Board, the Corporation nor the Unit Owners shall be deemed to be conducting a business of any kind. All funds collected by the Board shall be held and expended for the purposes designated in the Declaration and By-Laws and (except for such adjustments as the Board may require to reflect delinquent prepaid and special 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 "A", and shall be administered in accordance with the provisions of the Declaration and By-Laws. Each Unit Owner shall be a member of the Corporation (if same has been chartered) 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 transfer of his ownership interest, the next Unit Owner succeeding to such ownership interest shall likewise succeed to such membership in the Corporation.

## 5. INDEMNITY

The Members of the Board and the officers thereof or of the Corporation shall not be liable to the Unit Owners for any mistake of judgment, or any acts or omissions made in good faith as such members or officers. The Unit Owners shall indemnify and hold harmless each of such members or officers against all contractual liability to others arising out of contracts made by such members or officers on behalf of the Unit Owners or the Corporation unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. The liability of any Unit Owner arising out of any contract made by such members or officers or out of the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as his percentage interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Each agreement made by such members or officers or by the managing agent on behalf of the Unit Owners or the Corporation shall be executed by such members or officers or the managing agent, as the case may be, as agents for the Unit Owners or for the Association.

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## 6. BOARD'S DETERMINATION BINDING

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

## 7. OWNERSHIP OF THE COMMON ELEMENTS

Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in the schedule attached hereto as EXHIBIT "A" and by this reference made a part hereof as though fully set forth herein. The aforesaid percentages of ownership interest have been computed and determined in accordance with the Act, and shall remain constant unless hereafter changed by recorded amendment to this Declaration consented, to in writing by all Unit Owners and Unit Mortgagees as set forth in Paragraph 21(b)(2). Said ownership interests in the Common Elements shall be undivided interests, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership as set forth in EXHIBIT "A". The ownership of each Unit and of the Unit Owner's corresponding percentage of ownership in the Common Elements shall not be separated.

## 8. NO SEVERANCE OF OWNERSHIP

No Unit 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.

## 9. USE OF THE COMMON ELEMENTS

Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements) in common with all other Unit Owners, as may be required for the purpose of access and ingress and egress to and use and occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to each Unit Owner, and the agents, servants, tenants, family members and invitees of each Unit Owner. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements serving exclusively his Unit. Such rights to use and possess the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act and of this Declaration and the By-Laws herein and the rules and regulations of the Board. The Board shall have the exclusive authority from time to time to adopt or amend administrative rules and regulations governing the use, occupancy and control of the Common Elements as more particularly provided in the By-Laws. The Board shall have the

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authority to lease or to grant licenses or concessions with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws, including specifically but not by way of limitation, common parking areas, laundry areas, storage areas, and commercial and recreational areas.

## 10. COMMON EXPENSES

Each Unit Owner shall pay his proportionate share of the expenses of administration, maintenance and repair of the Common Elements and of any other expenses incurred in conformance with the Declaration and By-Laws or otherwise lawfully agreed upon (which expenses are herein sometimes referred to as "Common Expenses"). Such proportionate share of the Common Expenses for each Unit Owner shall be in the same ratio as his percentage of ownership in the Common Elements. Payment thereof shall be in such amounts and at such times as determined in the manner provided in the By-laws. If any Unit Owner shall fail or refuse to make any such payment of the Common Expenses when due, the amount thereof shall constitute a lien on the interest of such Unit Owner in the Property as provided in the 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 encumbrancers of unpaid Common Expenses only to the lien of all Common Expenses on the encumbered Unit which became due and payable subsequent to the date said encumbrancer takes possession of the Unit. Modification of the terms of the within paragraph are subject to the provisions of Paragraph 21(b)(2) hereof.

## 11. SEPARATE MORTGAGES

Each Unit Owner shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance on his respective Unit together with his respective ownership interest in the Common Elements and cause to be made or created any mortgage or encumbrance or other lien on or affecting the Property or any part thereof, except only to the extent of his Unit and his respective ownership interest in the Common Elements.

## 12. SEPARATE REAL ESTATE TAXES

It is understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements; as provided in the Act. In the event that for any year such taxes are not separately taxed to Unit Owners, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements.

## 13. INSURANCE

The Board shall have the authority to and shall obtain insurance for the property as follows:

- (a) Property insurance. Property insurance (i) on the common elements and the units, including the limited common elements and except as otherwise determined by



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the board of managers, the bare walls, floors, and ceilings of the unit, (ii) providing coverage for special form causes of loss, and (iii) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements, at the time the insurance is purchased and at each renewal date. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the Board as Trustee for each of the Unit Owners in their respective percentages of ownership interest in the Common Elements as established in the Declaration. Said insurance shall have a financial rating of BBB+ or better.

It is further provided that said insurance shall include a Standard Mortgagees Clause Endorsement with respect to any mortgagees or holders of trust deeds encumbering all or any portion of the Development, and that said insurance shall further provide for at least ten (10) days written notice to any such mortgagee or holders of a trust deed prior to any cancellation thereof. The Board may engage the services of any bank or trust company authorized to do trust business in Illinois to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of the Act and this Declaration. The fees of such, corporate trustee shall be Common Expenses. In the event of any loss in excess of \$50,000.00 in the aggregate, the Board shall engage a corporate trustee as aforesaid, or in the event of any loss resulting in the destruction of the major portion of one or more Units, the Board shall engage a corporate trustee as aforesaid upon the written demand of the mortgagee or Unit Owner of any Unit so destroyed.

The proceeds of such insurance shall be applied by the Board or by the corporate trustee on behalf of the Board for the reconstruction of the Building, or shall be otherwise disposed of, in accordance with the provisions of this Declaration and the Act; and the rights of the mortgagee of any Unit under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions in the Act with respect to the application of insurance proceeds to reconstruction of the building.

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

- (b) The Board shall also have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and

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property damage, in such limits as it shall deem desirable, and workmen's compensation insurance and other liability insurance as it may deem desirable, insuring each Unit Owner, the Corporation, its officers, members of the Board, the manager and managing agent of the Building, if any, and their respective employees and agents, from liability in connection with the Common Elements and the streets and sidewalks adjoining the Property, and insuring the officers of the Corporation and members of the Board from liability for good faith actions beyond the scope of their respective authorities. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be Common Expenses. Such insurance shall be in a minimum amount of \$1,000,000, or a greater amount deemed sufficient in the judgment of the board, insuring the board, the association, the management agent, and their respective employees and agents and all persons acting as agents. The unit owners must be included as additional insured parties but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the common elements. The insurance must cover claims of one or more insured parties against other insured parties.

- (c) Fidelity bond; directors and officers coverage.
- (1) The Board shall obtain and maintain a fidelity bond covering persons, including the managing agent and its employees who control or disburse funds of the association, for the maximum amount of coverage available to protect funds in the custody or control of the association, plus the association reserve fund.
  - (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 subparagraphs (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 officers liability coverage at a level deemed reasonable by the board, if not otherwise established by the declaration or bylaws. Directors and officers 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 General Not For Profit Corporation Act of 1986 or the declaration and bylaws of the association.

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- (d) Contiguous units; improvements and betterments. The insurance maintained under paragraph (a) above 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.

- (e) Deductibles. The Board of Managers of the association may, in the case of a claim for damage to a unit or the common elements, (i) pay the deductible amount as a common expense, (ii) after notice and an opportunity for a hearing, assess the deductible amount against the owners who caused the damage or from whose units the damage or cause of loss originated, or (iii) require the unit owners of the units affected to pay the deductible amount.
- (f) Insured parties; waiver of subrogation. Insurance policies carried pursuant to paragraph (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.
- (g) 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.
- (h) Certificates of insurance. Contractors and vendors (except public utilities) doing business with the Association under contracts exceeding \$10,000 per year must provide certificates of insurance naming the association, its Board of Managers, and its managing agent as additional insured parties.
- (i) Each Unit Owner shall be responsible for his own insurance on the contents of his own Unit and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability to the extent not

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covered by the liability insurance for all of the Unit Owners obtained as part of the Common Expenses as above provided.

The Board shall not be responsible for obtaining insurance on any additions, alterations, or improvements made by any Unit Owner to his Unit unless and until such Unit Owner shall request the Board in writing so to do, and shall make arrangements satisfactory to the Board to reimburse the Board for any additional premiums attributable thereto; and upon the failure of such Unit Owner so to do, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements.

- (j) Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner, the Corporation, its officers, members of the Board, the manager and managing agent of the Building, if any, and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance.

## 14. MAINTENANCE, REPAIRS AND REPLACEMENTS

Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit. Maintenance, repairs and replacements of the Common Elements shall be furnished by the Board as part of the Common Expenses, subject to the rules and regulations of the Board, provided, that at the discretion of the Board, maintenance, repairs and replacements of the Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby and further, at the discretion of the Board, it may direct such Unit Owners in the name and for the account of such to pay the cost thereof, and to procure and deliver to the Board such lien waivers and contractor's and sub-contractor's sworn statements as may be required to protect the Property from all mechanic's or materialmen's lien claims that may arise therefrom.

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

Whenever the Board shall determine, in its discretion, that any maintenance or repair of any Unit is necessary to protect the Common Elements or any other portion of the Building, the Board may cause a written notice of the necessity for such maintenance or repair to be served upon such Unit Owner, which notice may be served by delivering a copy thereof to any occupant of such Unit, or by mailing the same by certified or registered mail addressed to the Unit Owner

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at the Unit. If such Unit Owner fails or refuses to perform any such maintenance or repair within a reasonable time stated in the notice (or any extension thereof approved by the Board), the Board may cause such maintenance and repair to be performed at the expense of such Unit Owner.

If, due to the act or neglect of a Unit Owner, or of a member or 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 or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the common expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by insurance.

The Board shall have exclusive authority to take or refrain from taking, any action pursuant to this Paragraph 14. All expenses which, pursuant to this Paragraph 14, are chargeable to any Unit Owner, may be specifically assessed to such Unit Owner and shall be payable by such Unit Owner as prescribed by the Board.

## 15. ALTERATIONS, ADDITIONS OR IMPROVEMENTS

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 such alterations, improvements or additions requiring an expenditure in excess of ONE THOUSAND DOLLARS (\$1,000.00), without the approval of Unit Owners owning not less than 75 percent in the aggregate in interest of the undivided ownership of the Common Elements. 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. The provisions of this paragraph are subordinate to the requirements of Paragraph 21(b)(2) hereof.

## 16. DECORATING

Each Unit Owner shall furnish and be responsible for, at his own expense, all of the decorating within his own Unit from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. In the event the boundaries of any Unit, as shown on the Plat, are the finished undecorated interior surfaces of the perimeter walls, floors and ceilings thereof, the Unit Owner of such Unit shall be entitled to the exclusive use of such surfaces, and such Unit Owner shall maintain such surfaces in good condition at his sole expense as may be required, from time to time, which said maintenance and use shall be subject to the rules and regulations of the Board, and each such Unit Owner shall have the right to decorate such surfaces from time to time in such manner as he may see fit and at his sole expense. The use of and the covering of the interior surfaces of windows, whether by draperies, shades or other items visible

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on the exterior of the Building, shall be subject to the rules and regulations of the Board. Decorating of the Common Elements (other than interior surfaces within the Units as above provided) and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements by the Board, shall be furnished by the Board as part of the Common Expenses.

## 17. EASEMENTS

- (a) 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 of 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 Unit Owner of any Unit or in favor of the Unit Owners of the Common Elements if such encroachment occurred due to the willful conduct of said Unit Owner or Unit Owners.
- (b) The SBC Company, Commonwealth Edison Company, Northern Illinois Gas Company, and all other public utilities serving the Property are hereby granted the right to lay, construct, renew, operate and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Common Elements for the purpose of providing utility services to the Property.
- (c) All easements and rights described herein are easements, appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on any Unit Owner, purchaser, mortgagee and other person having an interest in said land or any part or portion thereof.
- (d) Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article, or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

## 18. SALE OF UNITS

- (a) Any Unit Owner of a Unit herein, who wishes to sell his Unit Ownership to any person not related by blood or marriage, shall give to the Board not less than

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thirty (30) days prior written notice of the terms of any contemplated sale together with the name, address and financial and character references of the proposed purchaser and such other information concerning the proposed purchaser as the Board may reasonably require. The members of the Board acting on behalf of the other Unit Owners shall at all times have the first right and option to purchase such Unit upon the same terms, which option shall be exercisable for a period of thirty (30) days, following the date of receipt of such notice. If said option is not exercised by the Board within said thirty (30) days, the Unit Owner may, at the expiration of said thirty day period and at any time within ninety (90) days after the expiration of said period, contract to sell such Unit to the proposed purchaser named in such notice upon the terms specified therein. If the Unit Owner fails to close said proposed sale transaction within said ninety (90) days, the Unit Ownership shall again become subject to the Board's right of first refusal as herein provided.

- (b) It is the intent of Subsection (a) above that the Unit Owner or contract purchaser of each Unit in the Association shall occupy and use such Unit as a private dwelling for his or her immediate family, and for no other purpose including business purposes. The "immediate family" of a Unit Owner or contract purchaser shall mean a spouse, child, stepchild, sibling or parent. Effective on the recording date of this amendment, therefore, the leasing of Units to other than a member of the Unit Owners' immediate family as a regular practice for business, speculative or investment purposes is not permitted.
- (c) To meet special situations and avoid undue hardship or practical difficulties, the Board of Managers may grant permission to a Unit Owner to lease his Unit once to a specified lessee for a period of not more than two (2) years; provided, however, that upon a showing of hardship by the Unit Owner, the Board may permit additional leases of a Unit.
- (d) To lease a Unit, or obtain a lease extension, a Unit Owner (or contract purchaser) must submit a written application to the Board. The application must contain facts showing the hardship or practical difficulties to justify the lease. The Board shall respond to each application within thirty (30) days by granting or denying the lease application, or exercising the right of first option in the manner described in subparagraph (e). The Board has the sole discretion to approve all applications for leases or lease extensions, and any decisions of the Board shall be binding upon the Unit Owner (or contract purchaser).
- (e) Notwithstanding the provisions stated in Subparagraph (d), the Board shall have the first right and option to lease such Unit upon the same terms as the proposed lease. To exercise such option, the Board must comply with the requirements set forth in this Paragraph 19.

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- (f) The leasing restrictions contained in subparagraphs (a) through (e) above shall apply to existing leases by Unit Owners, their heirs, personal representatives, donees, and devisees, on the recording date of this Amendment.

## 19. USE AND OCCUPANCY RESTRICTIONS

No unit shall be used for other than residential purposes. Each Unit shall be used as a residence for a single family, and for no other purpose, by the Unit Owner, and his family (see Section 18 above). The Common Elements shall be used only for access, ingress and egress to and from the respective Units by the respective families residing therein and their respective guests, household help and other authorized visitors, and for such other purposes which are incidental to the residential use of the respective Units; provided, however, the common parking areas, storage areas, laundry room, management office, and other special areas shall be used for the purposes approved by the Board.

## 20. REMEDIES

In the event of any default by any Unit Owner under the provisions of the Act, Declaration, By-Laws or rules and regulations of the Board, the Board or its agents shall have each and all of the rights and remedies which may be provided for in the Act, Declaration, By-Laws or said rules and regulations or which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as hereinafter in this paragraph provided, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of Seven Percent (7%) per annum until paid, shall be charged to and assessed against such 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, as well as for non-payment of his respective share of the Common Expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property. In the event of any such default by any Unit Owner, the Board and the manager or managing agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise by the Board.

If any Unit Owner (either by his own conduct or by the conduct of any other occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or the regulations adopted by the Board, and such violation shall not be cured within thirty (30) days after notice in writing from the Board, or shall reoccur more than once thereafter, then the Board shall have the power to issue to said defaulting Unit Owner a Ten (10) Day Notice in writing to



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terminate the rights of the said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his Unit, and thereupon an action in equity may be filed by the Board against said defaulting Unit Owner for a decree of mandatory injunction against said defaulting Unit Owner or occupant or (subject to the prior consent in writing of any mortgage having a security interest in the Unit Ownership of said defaulting Unit Owner, which consent shall not be unreasonably withheld) in the alternative, for a decree declaring the termination of said defaulting Unit Owner's right to occupy, use or control the Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Unit Owner in the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the said defaulting Unit Owner from reacquiring his interest at such judicial sale. 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 item shall be taxed against said defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to said defaulting Unit Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, 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, and 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. Any holder of any recorded mortgage or trust deed who comes into possession of a Unit pursuant to remedies provided therein, foreclosure of same, or deed in lieu of foreclosure, shall take said Unit free of any claims for unpaid assessments or charges against said Unit which accrue prior to such Holder coming into possession of said Unit (except for claims for a pro-rata share of any assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Units including the mortgaged Unit.)

## 21. AMENDMENT

- (a) The provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, and having at least three-fourths (3/4th) of the total vote, 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 and further provided that any amendments to the provisions of the within Paragraphs 7, 10, 13, 18, 20 and 22 shall also require the unanimous consent of all Unit Mortgagees.
- (b) It is further provided that unless at least 75% of the holders of any First Mortgages of any of the subject Units (based upon one vote for each First Mortgage) have given their prior written approval, the Board of Managers or other Condominium Owners Association shall not be entitled to:
  - (1) By act or omission, seek to abandon or terminate the condominium regime;

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- (2) Change the pro rata interest or obligations of any condominium Unit for: purposes of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards; and for determining the pro rata share of ownership of each Unit in appurtenant real estate and any improvements thereon which are owned by the Unit Owners in the condominium project in undivided pro rata interests; partition or subdivide any condominium Unit; by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the Common Elements; use hazard insurance proceeds for losses to condominium property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or Common Elements.
- (3) Partition or subdivide any condominium Unit;
- (4) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the Common Elements;
- (5) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or Common Elements of the condominium.
- (c) The change, modification or rescission, whether accomplished under either of the provisions of the preceding two paragraphs, shall be effective upon recording of such instrument in the Office of the Recorder of Deeds of Cook County, 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.
- (d) Any reference herein to "lien holders", "mortgagees" or "holders of first mortgagees" shall be deemed to apply to institutional lenders only.

## 22. NOTICES

Notices provided for in the Act, Declaration or By-Laws shall be in writing, and shall be addressed to the Board, or any Unit Owner, as the case may be at the address of the office of the Board of Managers, (indicating thereon the number of the respective Unit if addressed to a Unit Owner), or at such other address as hereinafter provided. The Board may designate a different address for notices to it by giving written notice of such change of address to all Unit Owners at such time. Any Unit Owner may also designate a different address or addresses for notices to him by giving written notice of his change of address to the Board. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail or when delivered in person with written acknowledgement of the receipt thereof.

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Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Unit Owner or Unit Owners whose Unit is subject to such mortgage or trust deed. The Board of Managers shall further provide any such holder with written notification of any default by the Unit Owner or Unit Owners constituting mortgagors with respect thereto in the performance of any of said mortgagor's obligations hereunder which are not cured within thirty (30) days.

## 23. PERPETUITIES AND OTHER RULES OF PROPERTY

If any of the options, privileges, covenants or rights created by this Declaration would otherwise violate (a) the rule against perpetuities or some analogous statutory provision, or (b) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the incumbent Mayor of the City of Chicago, and the incumbent President of the United States.

## 24. RIGHTS AND OBLIGATIONS

Each grantee, by the acceptance of a deed of conveyance and each purchaser under any contract for such deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created, or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such person in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation to the rights described in this Paragraph or described in any other part of this Declaration or the By-Laws shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such Unit Ownerships as fully and completely as though such rights were recited fully and set forth in their entirety in such documents.

## 25. GENERAL PROVISIONS

- (a) 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.
- (b) The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class condominium.
- (c) 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

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Ownership remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such 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.

- (d) Notwithstanding anything to the contrary contained herein, it is understood that a portion of the Common Elements has been designated for exterior or interior parking. It is further understood that Unit Owners may exchange or lease between themselves the rights created hereunder with respect to any specific parking space. It is further understood that no person not having an interest in a Unit Ownership in the building shall have any rights to any such parking space and that no parking space shall be used in any manner contrary to as hereinafter provided unless the Unit Owner or lessee of the Unit Owner shall first obtain the written consent of said Board so to do. Anything to the contrary contained herein notwithstanding, the maintenance of the aforescribed interior or exterior parking areas shall be borne by all Unit Owners, in proportion to their respective interest in the Common Elements.

APPROVED THIS 21st DAY OF January, 2006 BY THE BOARD OF DIRECTORS OF GRACELAND COURT CONDOMINIUM ASSOCIATION:

Barbara L Brannigan

President

Frank A. Demant

Secretary

Arthur E. Klem

Treasurer

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## EXHIBIT A LEGAL DESCRIPTION

Units 201, 202, 203, 204, 205, 206, 301, 302, 303, 304, 305, 306, 401, 402, 403, 404, 405, 406, 501, 502, 503, 504, 505, 506 of the South 50.0 feet of Lot 12 of the North Half of Lot 12 all in Block 7 in Parson and Lee's Addition to Des Plaines, a subdivision of certain lots in the town of Rand together with portions of Sections 17 and 20, Township 41, Range 12 East of the Third Principal Meridian in Cook County, Illinois, which survey is attached as Exhibit "B" to Declaration of Condominium Ownership made by American National Bank & Trust Company of Chicago, not personally but as trustee under trust agreement dated February 23, 1973 and known as trust number 40111 recorded in the Office of the Recorder of Deeds of Cook County, Illinois as document number 24479586 and registered in the Office of the Registrar of Titles of Cook County, Illinois as document number LR 3022429.

Street	Unit	P.I.N.	Percentage Interest
828 Graceland Avenue	201	09-17-424-020-1001	4.22
828 Graceland Avenue	202	09-17-424-020-1002	4.15
828 Graceland Avenue	203	09-17-424-020-1003	4.15
828 Graceland Avenue	204	09-17-424-020-1004	4.15
828 Graceland Avenue	205	09-17-424-020-1005	4.15
828 Graceland Avenue	206	09-17-424-020-1006	4.15
828 Graceland Avenue	301	09-17-424-020-1007	4.27
828 Graceland Avenue	302	09-17-424-020-1008	4.20
828 Graceland Avenue	303	09-17-424-020-1009	4.20
828 Graceland Avenue	304	09-17-424-020-1010	4.20
828 Graceland Avenue	305	09-17-424-020-1011	4.15
828 Graceland Avenue	306	09-17-424-020-1012	4.20
828 Graceland Avenue	401	09-17-424-020-1013	4.32
828 Graceland Avenue	402	09-17-424-020-1014	4.25
828 Graceland Avenue	403	09-17-424-020-1015	4.25
828 Graceland Avenue	404	09-17-424-020-1016	4.25
828 Graceland Avenue	405	09-17-424-020-1017	3.48
828 Graceland Avenue	406	09-17-424-020-1018	4.25
828 Graceland Avenue	501	09-17-424-020-1019	4.37
828 Graceland Avenue	502	09-17-424-020-1020	4.29
828 Graceland Avenue	503	09-17-424-020-1021	4.29
828 Graceland Avenue	504	09-17-424-020-1022	4.29
828 Graceland Avenue	505	09-17-424-020-1023	3.48
828 Graceland Avenue	506	09-17-424-020-1024	4.29

All located in Des Plaines, Illinois, 60016

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## EXHIBIT B

### BY-LAWS

#### ARTICLE I

#### MEMBERS

#### (Unit Owners)

SECTION 1: The direction and administration of the Property shall be vested in a Board of Managers (hereinafter referred to as the "Board"), consisting of three (3) persons who shall be elected in the manner hereinafter provided. 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 officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board.

SECTION 2: There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a "voting member". Such voting member may be the Unit Owner or one of the group composed of all the Owners of a Unit Ownership, or may be sane person designated by such Unit Owner or Unit Owners to act as proxy on his or their behalf and who need not be an Unit Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Unit Owner or Unit Owners. Any or all of such Unit Owners may be present at any meeting of the voting numbers and (those constituting a group acting unanimously) may vote or take any other action as a voting member either in person or by proxy. The total number of votes of all voting members shall be 100, and each Unit Owner or group of Unit Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set forth in EXHIBIT "A".

SECTION 3: Meetings of the voting members shall be held at the Property or at such other place in the county wherein the Property is situated, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members having twenty percent (20%) of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members at which a quorum is present upon the affirmative vote of the voting members having a majority of the total votes present at such meeting.

SECTION 3(a): There shall be an annual meeting of the voting members at such reasonable time or date (not more than thirty (30) days before or after the anniversary of the prior year's annual meeting) as may be designated by written notice of the Board delivered to the voting members not less than ten (10) days, nor more than thirty (30) days, prior to the date fixed for said meeting.

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SECTION 3(b): Special meetings of the voting members 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 of the Board, a majority of the Board, or by the voting members having twenty percent (20%) of the total votes, and delivered not less than ten (10) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

SECTION 3(c): Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote at such meeting, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Unit of the Unit Owner with respect to which such voting right appertains, if no address has been given to the board.

## **ARTICLE II** **BOARD OF MANAGERS**

SECTION 1: In all elections for members of the Board, each voting member shall be entitled to vote on a cumulative voting basis, and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. A majority of the total number of members on the Board shall constitute a quorum. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At each annual meeting, members of the Board shall be elected for a term of one (1) year. The voting members having at least two-thirds (2/3rds) of the total votes may from time to time increase or decrease such number of persons on the Board or may increase the term of office of Board Members at any annual or special meeting, provided that such number shall not be less than three (3), and that the terms of at least one-third (1/3rd) of the persons on the Board shall expire annually. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the voting members having two-thirds (2/3rds) of the total votes. Vacancies in the Board, including vacancies due to any increases in the number of persons on the Board, shall be filled by the vote of two-thirds (2/3) of the remaining Board Members, for a term that expires at the next annual Unit Owner's meeting, or at a special meeting of the voting members called for such purpose. Except as Otherwise provided in the By-Laws, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.

SECTION 2: The Board shall elect from among its members a President who shall preside over both its meetings and those of the voting members, and who shall be the chief executive officer of the Board, a Secretary who shall keep the minutes of all meetings of the Board and of the voting members and who shall, in general, perform all the duties incident to the office of Secretary, and a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect.

SECTION 3: My Board member may be removed from office by affirmative vote of the voting members having at least two-thirds (2/3rds) of the total votes, at any special meeting

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called for that purpose. A successor to fill the unexpired term of a Board member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

SECTION 4: 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 or any Vice-President and countersigned by the Secretary or any Assistant Secretary of the Board.

SECTION 5: The Board shall have the following additional powers and duties:

- (a) To engage the services of a manager or managing agent who shall manage and operate the Property for all the Unit Owners upon such terms and with such authority as the Board may approve; provided however that any such agreement must provide that it may be terminated for cause on ninety (90) days written notice and the term hereof shall not exceed three (3) years;
- (b) To formulate policies for the administration, management and operation of the Property;
- (c) To adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, maintenance, operation, use, conservation and beautification of the Property and for the health, comfort, safety and general welfare of the Unit Owners, and to amend such rules and regulations from time to time, provided that the Board shall first call a meeting of the Unit Owners for the specific purpose of discussing the proposed rules and regulations. Notice of the meeting shall contain the full text of the proposed rules and regulations, and the meeting shall conform to the requirements of Section 18(b) of this Act, except that no quorum is required at the meeting of the Unit Owners unless the declaration, bylaws or other condominium instrument expressly provides to the contrary. However, no rule or regulation may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution, nor may any rules or regulations conflict with the provisions of this Act or the condominium instruments;
- (d) To provide for any construction, alteration, installation, maintenance, repair, painting and replacement for which the Board is responsible under the Declaration and By-Laws and for such purposes to enter and to authorize entry into any Unit and/or Limited Common Elements, causing as little inconvenience to the Unit Owners as practicable and repairing any damage caused by any such entry at the expense of the maintenance fund;
- (e) To provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, and to engage or contract for the



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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) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses as hereinafter provided;
- (g) To pay out of the maintenance fund hereinafter provided for, the following:
  - (i) Water, waste removal, electricity and telephone and other necessary utility services for the Common Elements and (if not separately metered or charged) for the Units.
  - (ii) The services of a manager or managing agent or any other person or firm employed by the Board.
  - (iii) Payment for the maintenance, repair and replacement of the Common Elements.
- (h) 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 or direction of a court, or other involuntary sale, upon the consent or approval of Unit Owners owning not less than Sixty-Six and two-thirds (66-2/3rds) Percent in the aggregate in interest of the undivided ownership of the Common Elements;
- (i) To exercise all other powers and duties of the Board of Managers or Unit Owners as a group referred to in the Declaration, these By-Laws or the Condominium Property Act of the State of Illinois.

## **ARTICLE III** **ASSESSMENTS**

### SECTION 1:

- (a) Each year on or before December 1<sup>st</sup>, the Board shall 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<sup>th</sup> notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemization thereof. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the Common Elements. Said "Estimated Cash Requirement"

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shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in EXHIBIT "A" attached to the Declaration.

- (b) Except as provided in subparagraph (d) below, if an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year, the Board, upon written petition by Unit Owners with 20 percent of the votes of the association delivered to the Board within 14 days of the Board action, shall call a meeting of the Unit Owners within 30 days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the Unit Owners are cast at the meeting to reject the budget or separate assessment, it is ratified.
- (c) Any common expense not set forth in the budget or any increase in assessments over the amount adopted in the budget shall be separately assessed against all Unit Owners.
- (d) Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board of Managers without being subject to Unit Owner approval or the provisions of subparagraph (b) above or subparagraph (e) below. As used herein, "emergency" means an immediate danger to the structural integrity of the Common Elements or to the life, health, safety or property of the Unit Owners.
- (e) Assessments for additions and alterations to the Common Elements or to Association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of two-thirds of the total votes of all Unit Owners.
- (f) The Board of Managers may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments not governed by subparagraphs (d) and (e), the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.
- (g) On or before January 1<sup>st</sup> of the ensuing year, and the 1<sup>st</sup> of each and every month of said year, each Unit 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 Unit 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

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shall be credited according to each Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Unit Owner's percentage of ownership in the Common Elements to the installments due in the succeeding six months after rendering of the accounting.

SECTION 2: 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.

All budgets adopted by the Board of Managers shall provide for reasonable reserves for capital expenditures and deferred maintenance for repair or replacement of the Common Elements. To determine the amount of reserves appropriate, the Board of Managers shall take into consideration the following: (i) the repair and replacement cost, and the estimated useful life, of the property which the Association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the buildings and Common Elements, and energy systems and equipment; (ii) the current and anticipated return on investment of Association funds; (iii) any independent professional reserve study which the Association may obtain; (iv) the financial impact on Unit Owners, and the market value of the Units, of any assessment increase needed to fund reserves; and (v) the ability of the Association to obtain financing or refinancing.

SECTION 3: The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Unit Owner shall not constitute a waiver or release in any manner of such Unit Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the next monthly maintenance payment which is: due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

SECTION 4: The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Unit Owner or first mortgagee of any Unit or any representative thereof duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Unit Owner. 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.

SECTION 5: If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board may bring suit for and on behalf of themselves, and as representatives of all Unit Owners, to enforce collection thereof or

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for possession or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, and other fees and expenses together with 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 Unit Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Said lien shall take effect and be in force when and as provided in the Condominium Property Act of Illinois; 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 encumbrancers of unpaid Common Expenses only to the lien of all Common Expenses on the encumbered Unit which became due and payable subsequent to the date said encumbrancer takes possession of the Unit. 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 Ownership covered by such encumbrance and unless the request shall be complied with in twenty (20) days, all unpaid Common Expenses which became due prior to the date of the making of such request shall be subordinate to the lien of such encumbrance.

In addition to the foregoing, in the event of any default by any Unit Owner, his tenant, invitee or guest in the performance of his obligations under the Act, the Condominium Instruments, or the rules and regulations of the Board of Managers, the Board of Managers or its agents shall have such rights and remedies as provided in the Act, the Condominium Instruments, or the rules and regulations including the right to maintain an action for possession against such defaulting Unit Owner or his tenant for the benefit of all the other Unit Owners in the manner prescribed by Article IX of the Code of Civil Procedure.

SECTION 6: No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Unit.

## **ARTICLE IV** **GENERAL PROVISIONS**

SECTION 1: The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, nor shall anything be stored in the Common Elements without the prior consent of the Board except as hereinafter expressly provided. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit.

SECTION 2: 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 Unit 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.

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SECTION 3: Unit Owners shall not cause or permit anything to be placed on the outside walls of the Building and no sign, awning, canopy, shutter, radio or television antenna (other than those in compliance with the provisions of the Telecommunications Act of 1996) shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior consent of the Board.

SECTION 4: No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that dogs, cats, or other household pets may be kept in Units, subject to rules and regulations adopted by the Board, provided they are not kept, bred, or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days' written notice from the Board.

SECTION 5: 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 Unit Owners or Occupants.

SECTION 6: No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clean of rubbish, debris and other unsightly materials.

SECTION 7: No "For Sale" or "For Rent" signs, advertising or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Board, provided, however, that the provisions of this Section shall not apply to any mortgagees in possession of any Units.

SECTION 8: 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, or connect any machines, appliances, accessories or equipment to the heating or air-conditioning system or plumbing system, without the prior written consent of the Board or manager or managing agent.

SECTION 9: The Board shall give notice to the Federal Home Loan Mortgage Corporation (c/o the servicer thereof) in writing of any loss to, or taking of, Common Elements in excess of \$10,000.00.

## ARTICLE V AMENDMENTS

These By-Laws may be amended or modified from time to time by action or approval of the voting members having at least two-thirds (2/3rds) of the total votes, provided, however, that no provision in these By-Laws may be amended or modified so as to conflict with the provisions of the Condominium Property Act, and further provided that any amendments or modifications to Article III, Section 5 or Article IV Section 7 herein shall require the unanimous consent of all Unit mortgagees. Such amendments shall be recorded in the Office of the Recorder of Deeds of Cook County, Illinois.