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Cook County Recorder of Deeds
Date: 02/07/2008 11:10 AM Pg: 1 of 40

THIS INSTRUMENT PREPARED BY AND
AFTER RECORDING RETURN TO:

PATRICIA A. O'CONNOR, ESQ.
LEVENFELD PEARLSTEIN
TWO NORTH LASALLE STREET
SUITE 1300
CHICAGO, ILLINOIS 60602

(THIS SPACE FOR RECORDER'S USE ONLY)

DECLARATION OF PARTY WALL RIGHTS, COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE TOWNHOMES OF PARK PLACE HOMES ASSOCIATION

This Declaration of Party Wall Rights, Covenants, Conditions, Restrictions, and Easements ("Declaration") is made and entered into on the date hereinafter set forth by 5007 Lawndale Corporation, an Illinois corporation ("Declarant").

WITNESSETH:

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

Declarant intends to construct on the Property a development containing a total of seventy four (74) Townhome Units (as hereinafter defined) which may be constructed in phases, together with certain common areas that will require uniformity and continuing care and maintenance for the privacy, benefit and enjoyment of all persons owning and residing in the Townhome Units (collectively the "Development").

Declarant has deemed it desirable for the efficient preservation of the values and amenities of the Project to create an agency to which shall be delegated and assigned the powers of maintaining and administering the Common Area (as hereinafter defined) and administering and enforcing the covenants and restrictions hereinafter contained and created; and

The Townhomes at Park Place Homes Association, an Illinois not for profit corporation ("Association"), has been formed for the purpose of exercising the functions aforesaid; and

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

Declarant may, from time to time for the purposes hereinafter enumerated, convey certain portions of the Property to the Association, as well as to various Owners (as hereinafter defined).

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NOW, THEREFORE, Declarant hereby declares that the Property is, and hereafter shall be, transferred, held, sold, conveyed and accepted subject to this Declaration.

Declarant does hereby further declare that the following rights, easements, covenants, restrictions, conditions, burdens, uses, privileges, charges and liens shall: (1) exist at all times hereafter among all parties having or acquiring any right, title or interest in any portion of the Property; (2) be binding upon and inure to the benefit of each Owner (as hereinafter defined); and (3) run with the land subject to this Declaration, to be held, sold and conveyed subject thereto.

ARTICLE I

DEFINITIONS

For purposes of brevity and clarity, the following terms when used in this Declaration shall have the following meanings unless otherwise required by the context:

- (a) "Association". The term "Association" shall have the meaning set forth in the recitals.
- (b) "Board". The Board of Directors of the Association as constituted at any time or from time to time, in accordance with the applicable provisions of Article III.
- (c) "Buildings". The Buildings located on the Property.
- (d) "By-Laws". The By-Laws of the Association, a copy of which is attached as Exhibit "C" hereto and by this reference made a part hereof.
- (e) "Common Area". Those portions of the Property owned by the Association or the Declarant for the common use and enjoyment of all members of the Association and such uses thereto by way of easement or other grant from Declarant, the Association or others as may be granted to or by the Association for the common use and enjoyment of the Owners. The Common Area, at the Recording of this Declaration, consists of Lots 56 and 63 as referenced on the Plat. The Common Area to be conveyed to and owned by the Association is hereinafter legally described on Exhibit "B" attached hereto and by this reference made a part hereof, and such additions thereto as may hereafter be brought within the jurisdiction of, or conveyed to, the Association.
- (f) "Declarant" or "Developer". 5007 Lawndale Corporation and its successors and assigns or such other person or entity as the Developer may from time to time designate.
- (g) "Declaration". This Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for The Townhomes at Park Place Homes Association.
- (h) "Eligible Mortgage Holder". Each holder of a first mortgage on a Townhome Unit which has requested in writing that the Association notify it of any proposed action that requires consent of a specified percentage of mortgage holders.
- (i) "Family". One or more persons related by blood, marriage or adoption or a group of not more than five (5) persons not so related, maintaining a common household in a Townhome Unit or as otherwise defined by applicable municipal zoning codes from time to time.
- (j) "Garage". That attached or detached portion of each Townhome Unit originally designed and intended primarily for the parking and storing of motor vehicles.

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- (k) "Member". An Owner who holds membership in the Association pursuant to Article II, Section 1 hereof and who is subject to assessment.
- (l) "Occupant". Any person or persons other than the Owner in possession of a Townhome Unit.
- (m) "Owner". The record owner, whether one or more persons or entities, of fee simple title to any Townhome Unit and garage (including the lot to which said Townhome Unit and garage are located), including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The term "Owner" shall include Declarant to the extent of the number of Townhome Units owned by Declarant and also includes the interest of Declarant as contract seller of any Townhome Unit.
- (n) "Property". The term "Property" shall have the meaning set forth in the recitals.
- (o) "Townhome Unit". A residential housing unit consisting of a group of rooms which may be attached to one or more other Townhome Units by common party walls and which are designed or intended for the exclusive use as living quarters for one Family and garage, as constructed by Declarant upon the Property, and/or the lot upon which such residential housing unit and garage is or will be constructed.
- (p) "Turnover Date". The date control of the Association is transferred from Declarant to the Owners, which shall be no later than sixty (60) days after the earlier of: (i) the date on which seventy-five percent (75%) of the Townhome Units have been conveyed to Owners other than Declarant; (ii) three (3) years after the first Townhome Unit is conveyed to an Owner other than Declarant; or (iii) the date designated in a written notice from Declarant to all of the Owners as being the Turnover Date.

ARTICLE II

MEMBERSHIP

Membership in the Association. Every Owner of a Townhome Unit which is subject to assessment pursuant to Article VI hereof is hereby declared to be a Member of the Association. Membership is appurtenant to and shall not be separated from ownership of such Owner's Townhome Unit. By acceptance of a deed or other conveyance of a Townhome Unit, each Owner or subsequent Owner thereby becomes a Member whether or not this Declaration is incorporated by reference or otherwise expressed in the deed of conveyance. If there is more than one Owner of any Townhome Unit, all such Owners shall be Members of the Association, however, such multiple Owners of a Townhome Unit shall allocate the privileges and responsibilities appurtenant to Membership among them as they determine. One individual shall be designated as the "Voting Member" for each Townhome Unit. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Members. If the record ownership of a Townhome Unit shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Townhome Unit shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize any individual Owner of the Townhome Unit as the Voting Member for such Townhome Unit. Ownership of a Townhome Unit shall be the sole qualification for membership in the Association. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Townhome Unit(s). Voting rights with regard to each Member are set forth in Article III hereof.

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ARTICLE III

VOTING RIGHTS AND BOARD OF DIRECTORS

1. **Voting Rights and Percentage Interest.** The Association shall have one class of membership. Members shall be entitled to vote as set forth in the By-Laws attached hereto as Exhibit "C". Article I, Section 6 of the By-Laws provides that the aggregate number of votes for all Owners shall be one hundred (100) and shall be divided among the respective Owners in accordance with their respective percentage of ownership interest in the Common Area, as set forth in Exhibit D of the Declaration, as said Exhibit D may be amended from time to time; provided that when thirty percent (30%) or fewer of the Townhome Units, by number, possess over fifty percent (50%) in the aggregate votes in the Association, any percentage vote of Owners specified herein shall require the specified percentage by number of Townhome Units rather than by percentage of interest in the Common Area allocated to Townhome Units that would otherwise be applicable. The Declarant calculated the percentages scheduled in Exhibit "D" taking into effect the following factors: (a) the square footage of each Townhome Unit in relation to all other Townhome Units; (b) the estimated equalized assessed value of each Townhome Unit in relation to all other Townhome Units; and (c) special assessments, if any, attributable to each Townhome Unit for insurance premiums in relation to those special assessments for other Townhome Units.
2. **Provisions Mandatory.** The provisions of Article III, Section 1 hereof shall be mandatory. No owner of any interest in any Townhome Unit shall have any right or power to disclaim, terminate or withdraw from membership in the Association or any obligations as a Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any Owner shall be of any force or effect for any purpose.
3. **Board.** The Association shall have a Board of three (3) Directors who shall be elected by the Members of the Association at such intervals as the By-Laws of the Association shall provide. Prior to the election of the first Board by the Owners, Declarant shall exercise all rights, powers and privileges of the Board and shall perform all of its functions. The Board appointed by Declarant shall consist of three (3) Directors. Except as expressly otherwise provided by applicable law, the Association's articles of incorporation, this Declaration or the By-Laws, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in its Board and its officers under the direction of the Board, and shall not be subject to any requirement of approval on the part of its Members.
4. **Appointment of Directors by Declarant.** Notwithstanding any other provision of this Declaration or the By-Laws, the first and each subsequent Board shall consist of, and vacancies on the Board shall be filled by, such persons as Declarant shall from time to time appoint until the Turnover Date. Declarant's right to appoint Directors shall be to the exclusion of the right of the Members of the Association to do so. The Owners shall not, without the prior written consent of Declarant, have the right to amend, modify or change the By-Laws of the Association to in any way diminish the authority of the Board prior to the Turnover Date.
5. **Officers.** The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board. The officers shall manage and conduct the day to day affairs of the Association under the direction of the Board.
6. **Association Funds.** The Association, being a not-for-profit corporation, shall not distribute to its Members any dividends. To the extent that funds shall not be required for current expenditures or for such reserves, the next monthly assessments may, in the discretion of the Board, be eliminated or the amount thereof appropriately reduced. Such reduction shall not prevent reinstatement of or increase in such assessments when required but such reinstatement or increase shall not be retroactive.
7. **Right to Engage a Manager and Enter Into Long Term Contracts.** (a) Declarant reserves the right to engage a property manager for the Association and, in furtherance of such right, to enter into a contract for such purposes.

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(b) Any contract, lease, or other agreement made by Declarant on behalf of the Association prior to the election of the first Board not controlled by the Declarant which extends for a period of more than two (2) years from the date of the recording of this Declaration shall be subject to cancellation by more than one half of the votes of the Members other than the Declarant cast at a special meeting of Members called for that purpose during a period of ninety (90) days prior to the expiration of the two (2) year period if, at that time, the Board is comprised of Directors other than Declarant, otherwise by a majority vote of the Board. At least sixty (60) days prior to the expiration of the two year period referenced above, the Board, or, if the Board is still under Declarant control, the Declarant, shall send notice to every Member of the Association notifying them of this provision, of what contracts, leases, and other agreements are affected, and of the procedure for calling a meeting of the Members or for action by the Association for the purpose of acting to terminate such contracts, leases, or other agreements. During the ninety (90) day period, the other party to each contract, lease, or other agreement shall also have a right of cancellation.

8. **Rules and Regulations.** The Board, on behalf of the Association, shall have the right to adopt rules and regulations governing the Townhome Units and Common Area and the use thereof provided, however, that no rule or regulation shall conflict with the Declaration, By-Laws, or any applicable laws, ordinances or codes.

ARTICLE IV

PROVISIONS RELATING TO THE COMMON AREA

1. **Easements.** Every Owner shall have a right and easement in, over, upon and to the Common Area for purposes of vehicular (as appropriate) and pedestrian ingress and egress and other reasonable use of the open spaces and other common facilities located on the Common Area. The Common Area shall be held for the use and benefit of each Owner, and the easement granted in the preceding sentence shall be appurtenant to and shall pass with the title to every Townhome Unit subject to the following provisions:

(a) The Association shall have the right to dedicate or transfer all or any part of the Common Area to any public or quasi-public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast sixty-seven percent (67%) of the votes of the Association is signed and recorded along with the document effecting such dedication or transfer.

(b) As part of the overall program of development of the Property and to encourage the marketing and construction thereof, Declarant and its contractors, subcontractors, and their respective agents and employees shall, for sales and construction purposes only, have the right to use the Common Area and facilities thereon without charge until Declarant has constructed and conveyed all of the Townhome Units to third party purchasers thereof in order to aid in Declarant's construction and marketing of the Townhome Units.

2. **Pedestrian Ingress and Egress.** Each Owner and his tenants, guests and invitees shall have a right and easement in, over, upon and to any sidewalks, stairways, hallways, and walkways located in the Common Area for the purposes of pedestrian ingress and egress.

3. **Easements of Access and Emergency Exitway Easement.**

(a) Every Owner is hereby granted and reserved a perpetual non-exclusive easement for the purpose of reasonable ingress and egress to and from all public and private ways which adjoin the Property through, over and across the Common Area. The use by each Owner and by such Owner's invitees of the Common Area shall be subject to such rules and regulations as the Board shall promulgate.

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(b) The Association, the Declarant, the Developer, and each of them, is hereby granted and reserved a perpetual non-exclusive easement to, through, over and across the Common Area and the roofs and exteriors of Townhome Units for the purpose of exercising the rights, performing the functions, and discharging the responsibilities, permitted or required to be performed or discharged by any of them pursuant to any of the provisions of this Declaration.

(c) Each individual Townhome (except Townhomes located on Lot 37) shall have a mutual easement for pedestrian only ingress and egress over, across and upon the portion of the roof level of their respective Townhomes as designated on the Plat of Survey as "Emergency Exit" and upon that portion of the Building and land which is referred to as the "Stairwell" (collectively referred to as the "Emergency Exitway") for emergency purposes.

(d) The Emergency Exitway is intended for and may be used by such individuals as set forth above for emergency purposes only (i.e., in the event of fire, explosion or other such occurrence) as is necessary to provide an emergency exitway for access to and from the roof deck area of each Townhome. Each Townhome Owner has the right to use said Emergency Exitway within the Building that their respective Unit is located. No Owner of a Townhome may obstruct or prevent free access over, across or upon any portion of the easement areas.

(e) The Emergency Exitway easement shall be kept clear of obstructions by the Owners of the Townhomes.

(f) Any disputes regarding maintenance matters as set forth herein, which cannot be resolved by the Townhome Owners involved in the dispute, will be submitted to the Board and its decision shall be binding.

4. **Site Improvements.** Declarant and the Association shall plant or install all landscaping and related site improvements as are set forth in the Development Site Plan. Notwithstanding the foregoing, each Townhome Owner shall be entitled to make private use of an area not to exceed 10' x 10' for personal seasonal plantings (such as a small vegetable and/or flower garden) do not constitute a nuisance.

5. **Delegation.** Any Owner may delegate, in accordance with this Declaration and the By-Laws, his right of ingress and egress to the Common Area to the members of his Family, Occupants, guests, invitees, or contract purchasers.

6. **Conveyance of Common Area.** Declarant hereby covenants for itself, its successors and assigns, that, no later than the conveyance of the last Townhome Unit to a third party purchaser, it will convey to the Association fee simple title to the Common Area to which it is in title. Upon any conveyance or assignment of Common Area to the Association, Declarant shall be entitled to a proration credit for all expenses of the Association defrayed by Declarant (including insurance and real estate taxes) which have not theretofore been reimbursed to Declarant. Title to the Common Area shall be subject to all general and special title exceptions contained in the title commitment covering the Common Area which Declarant shall deliver to the Association in connection with such conveyance, provided Declarant shall cause any lien securing Declarant's financing to be released. If any Common Area shall be held in any title holding trust, Declarant may assign the beneficial interest in such trust to the Association in lieu of causing the trustee to convey the same by trustee's deed. The Common Area shall be conveyed or assigned without any express or implied warranties, which warranties are expressly disclaimed by Declarant. The instrument of conveyance may contain a confirmatory disclaimer of warranties.

7. **Rights of the Association.** (a) The Association shall have the right of ingress and egress over and upon the Common Area for any and all purposes in connection with the decoration, use, maintenance, care, construction, operation, repair and reconstruction of the Common Area.

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(b) The Board, on behalf of the Association, shall have the right to adopt rules and regulations governing the decoration, use, maintenance, care and administration of the Common Area and for the health, comfort, safety and general welfare of persons using the Common Area.

8. **Reserved Rights.** Notwithstanding any provisions herein to the contrary, the easements herein created shall be subject to:

(a) The right of Declarant to execute all documents and do all other acts and things affecting the Property which, in Declarant's sole opinion, are desirable in connection with Declarant's rights hereunder.

(b) Easements of record on the date hereof, and any easements which may hereafter be granted by Declarant or the Association to any public utilities or governmental bodies for the installation and maintenance of electrical lines, analog and digital telephone conduit and lines, gas pipes, sewers or water mains and pipes, cable, DSL lines, T1 lines, or any other utility services serving any Townhome Unit and to any provider of cable television and similar services.

9. **No Dedication.** Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to which Declarant is in title as of the date hereof to or for any public use or purpose whatsoever.

10. **Easement in favor of Certain Utilities.** Easements for serving the Common Area and other properties with public utilities and municipal services are hereby granted to Commonwealth Edison Company, Nicor, AT&T/SBC, Comcast, the City of Chicago, and all other suppliers of utilities serving the Common Area and their respective successors and assigns, jointly and severally to install, lay, construct, renew, operate, maintain or remove, from time to time, conduits, cables, pipes, wire transformers, switching apparatus and other facilities and appurtenances used in connection with serving the Common Area and adjacent property with telephone communications, electric, sewer, gas, water, drainage, cable television, or other services, upon, across and under the Common Area for the Property.

11. **Proper Maintenance.** All areas of and facilities upon and/or under the Property, including, but not limited to, all open space, underground storm water management pipes, all landscaping, all snow removal (except rear patios), all wrought iron front yard decorative fencing, roofs and exteriors of Townhome Units shall be maintained by the Association in such a manner as to ensure the proper use and functioning of such areas and facilities as originally designated and/or constructed and the maintenance of the development as a first-class Townhome Association. The Association shall have no responsibility for snow removal from public sidewalks adjacent to the Property to the extent from time to time not imposed by law.

12. **Payment of Taxes on Common Area.** The Association shall pay, as agent and on behalf of the Owners and out of the funds furnished to it by them for such purpose as part of the common expenses, all tax and other governmental impositions levied upon the Common Area or any part thereof. Upon the affirmative vote of at least two-thirds of the Board, the Board, acting on behalf of all Owners, shall have the power to seek relief from or in connection with the assessment or levy of any taxes, special assessments, or charges, and to charge and collect all expenses incurred in connection therewith as common expenses.

13. **Compliance.** The Common Area shall at all times be used and maintained in compliance with all applicable municipal ordinances, codes and regulations.

14. **Easements Reserved to Declarant on the Property.** (a) Until the last Townhome Unit is sold and conveyed by Declarant to a purchaser, an easement is hereby granted and reserved in, to, over, across and through the Common Areas in favor and for the benefit of the Declarant, and its representatives, agents, associates, affiliates, employees, contractors, subcontractors, brokers, licensees,

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and invitees, for purposes of construction, sale, marketing, transfer, repair and preparation of the Townhome Units and the Condominium Units for occupancy and construction and installation of all utilities, structures, landscaping, to perform service and warranty work and other improvements relating to the Property. Such easement includes, without limitation, rights of ingress, egress and passage through and across the Common Areas, including, but not limited to, common vehicular and pedestrian traffic areas located in the Common Areas, for the purpose of providing access to all areas of the Property and for the purpose of enabling the performance or exercise of all functions, rights, responsibilities and obligations permitted or required to be performed by any person or entity to which such easement is granted, and the right to maintain and operate a sales office on the Property.

(b) In connection with the construction of Townhome Units on the Property or the Condominium or Single Family Homes adjacent thereto, or any construction mandated by the City of Chicago, the Declarant, and/or its affiliates, and agents shall have the right to: (i) ingress and egress to and from the Property and use such portion of the Property, including the Common Areas as may be necessary or desirable in connection with the construction, marketing, sale or leasing, of any portion of the Property, (ii) to use and show one or more unsold or un conveyed Townhome Units as a model Townhome Unit or Units, sales office, construction office or administrative office, design center, management office or for such other purposes deemed necessary or desirable in connection with the aforescribed construction, marketing and sales or leasing, (iii) set up and maintain marketing materials and tables in the Common Areas and use the Common Areas for special events, (iv) post and maintain such signs and lighting in, on or about the Property as deemed necessary or desirable in connection with (i), (ii) and (iii) above, all without the payment of any fee or charge whatsoever. The Declarant shall have the power and right to lease and/or sell and convey any Townhome Unit owned by the Declarant to any person or entity, which it deems appropriate in its sole discretion. The right of the Declarant, and/or its affiliates, to exercise the rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to a Townhome Unit.

15. **Documents to be Delivered Upon Turnover** Within sixty (60) days following the election of the initial Board by the Owners, Declarant shall deliver to the Board:

(a) All original documents as recorded or filed pertaining to the Townhome Units, the Common Area and the Association, such as the Declaration, Articles of Incorporation, other instruments, annual reports, minutes, rules and regulations, contracts, leases, or other agreements entered into by the Association (provided that, if any original documents are unavailable, a copy may be provided);

(b) A detailed accounting by Declarant, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance and operation of the Property, copies of all insurance policies, and a list of any loans or advances to the Association which are outstanding;

(c) All funds belonging to the Association, which shall at all times have been segregated from any other monies of Declarant;

(d) A schedule of all real or personal property, equipment and fixtures belonging to the Association, including documents transferring the property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies, and tax bills; and

(e) A list of all litigation, administrative action and arbitrations involving the Association, any notices of governmental bodies involving actions taken or which may be taken concerning the Association, engineering or architectural drawings and specifications as approved by any governmental authority, all other documents filed with any other governmental authority, all governmental certificates, correspondence involving enforcement of any Association requirements, copies of any documents relating to disputes involving Owners, and originals of all documents relating to everything listed in this subparagraph.

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16. **Representative Capacity.** The Board shall have standing and capacity to act in a representative capacity in relation to matters involving the Common Area or more than one Townhome Unit, on behalf of the Owners, as their interests may appear.

ARTICLE V

MAINTENANCE OF TOWNHOME UNITS

1. **Exterior Maintenance.** (a) Maintenance of the exterior of the Townhome Units, except rooftop deck and including but not limited to periodic window washing, cleaning of gutters, landscaping (other than private rear yard vegetable and/or flower gardens, rear or side yard fencing, other seasonal or periodic maintenance services, seasonal snow and ice removal from walks) shall be the responsibility of the Association. All maintenance and repair of the exterior of the Townhome Units shall be performed at the discretion of and under the supervision of the Board to ensure high standards of quality and consistent design. No Owner shall make any addition, alteration, or improvement to the exterior of any Townhome without the prior written approval of the Board.

(b) The Association shall determine the need for and shall carry out or cause to be performed all maintenance and repair of water, sewer, storm water management, gas, telephone, cable and electrical lines incorporated into and forming a part of the Townhome Units as originally constructed that service more than one Townhome Unit (it being expressly understood that each individual Owner shall be responsible for all costs related to the maintenance, repair and replacement of all water, sewer, storm water management, gas, telephone, cable and electrical lines, water, storm sewer and sanitary sewer lines that service only his Townhome Unit, including the point of connection with any shared lines) and additionally that such maintenance and repair by the Association shall not include the maintenance or repair of any furnaces, water heaters, stoves, refrigerators, washing machines or household appliances, sump pumps, glass surfaces, patio areas, windows and patio doors, entry doors, electrical fixtures, air conditioners and compressors, or any other portion of said appliance or fixture which services only one Townhome Unit or the interior of any Townhome Unit or portion thereof.

2. **Additional Maintenance Obligations.** In addition to the items described in Article V, 1 above, each Owner shall have the obligation to maintain in good condition and repair his interior glass surfaces, fireplaces (including the interior and exterior of chimneys), windows sashes, frames, cranks and locks, entry doors, electrical fixtures, garage doors, driveways, roof decks appurtenant service walks located on or serving his Townhome Unit, and all other items which service only such Owner's Townhome Unit. Each Owner shall also be solely responsible for the maintenance of the interior of his/her Townhome Unit. Upon the failure of any Owner to maintain those areas not the maintenance responsibility of the Association, the Association, through its agents and employees, is hereby granted the right to enter upon the Townhome Unit and into the Townhome Unit thereon and make such reasonable repairs, maintenance, rehabilitation or restoration of the premises as may be necessary, and the costs thereof shall become a lien upon the Townhome Unit in the same manner as provided in Article XI hereof for nonpayment of maintenance assessments.

3. **Right to Draw Water.** The Association shall have the right to draw water from the exterior taps of individual Townhome Units as required for the efficient performance of its duties hereunder.

4. **Right to Enter.** An irrevocable license and non-exclusive easement is hereby granted to the Association to enter upon the Townhome Units for purposes of performing its obligations and exercising its rights pursuant to this Article V.

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ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

1. **Covenant for Assessments and Lien.** Each Owner shall pay his or her proportionate share of the expenses of administration and operation of the Common Area and any other expenses incurred in conformance with the Declaration and By-Laws (which expenses are herein sometimes referred to as "common expenses"). Declarant, for each Townhome Unit owned within the Property, hereby covenants, and each Owner of a Townhome Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments to be fixed, established and collected from time to time as provided in the By-Laws; and (2) special assessments to be fixed, established and collected from time to time as provided in the By-Laws. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Townhome Unit against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Townhome Unit at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.
2. **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area. Such uses shall include, but are not limited to, the cost to the Association of all taxes, insurance, repair, replacement and maintenance of the Common Area and the maintenance and repair of the Property including, but not limited to, caring for the grounds, landscaping, equipment, non-dedicated portions of the storm water management system, all decorative wrought iron front yard fencing installed by Developer, sanitary and storm sewer and water lines which service Townhome Units up to the point where such service is exclusive to a single Townhome Unit, structures and appurtenances (other than facilities and activities maintained by any governmental authority or utility company), and other charges required by this Declaration or that the Board shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve fund for repair, maintenance, replacements, taxes, and other charges as specified herein. In addition, water, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Owners shall be paid for by the Association from the assessments levied hereunder. The Board reserves the right to levy additional assessments against any Owner to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund. At the time of closing of the sale of each Townhome Unit by Declarant, the Owner shall pay (in addition to the first monthly assessment) to the manager or managing agent, or as otherwise directed by the Board, an amount equal to two (2) times the first full monthly assessment for such Owner.
3. **Authority to Fix Assessments.** The Board shall be authorized to fix the annual assessment in an amount sufficient to meet the costs and expenses detailed in Article VI, Section 2 hereof.
4. **Special Assessments.** In addition to the annual assessments authorized above, the Association may levy special assessments in accordance with the By-Laws for the purpose of defraying, in whole or in part, any unforeseen cost, as well as the cost of any construction or reconstruction, unexpected repair, maintenance or replacement (including those items of maintenance and repair described in Article V, Section 1 hereof) of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, if any.
5. **Payment of Assessments.** Except as provided in Article VI, Section 9, annual and special assessments shall be assessed to the Owners according to each Townhome Unit's percentage of ownership in the Common Area as set forth in Exhibit "D" attached hereto, and shall be collected on a monthly basis.

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6. **Certificate.** At any Owner's request, the Association shall furnish a certificate in writing signed by an officer or agent of the Association setting forth whether the assessments on a specified Townhome Unit have been paid and, if not paid, the amount of any such deficiency. Such certificate shall be conclusive evidence of payment of any assessment therein.
7. **Delinquency.** Any assessments which are not paid when due shall be delinquent. Such assessments, together with interest and all costs of collection shall be a continuing lien upon the Townhome Unit against which each such assessment was made. If the assessment is not paid by the due date, then (a) the amount of the delinquent assessment shall bear interest from the due date at the rate of four one-hundredths of one percent (0.04%) for each day after the due date, provided, however, that interest accruing for the five days following the due date shall be waived if the delinquent assessment is received in full by the Association by the fifth day after the due date ("Grace Period End Date"); and (b) in addition to said interest, the delinquent Owner shall pay to the Association a late charge of \$25 for each calendar month or portion thereof that any sum due from the Owner remains unpaid past the Grace Period End Date falling within such month, said late charge to cover the Association's administrative costs in monitoring and collecting such amount. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same, or foreclose the lien against the respective Townhome Unit and interest, late charges, and the costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Townhome Unit, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property.
8. **Subordination.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed on the Townhome Units and recorded prior to the due date of the delinquent assessment; provided, however, any prior recorded mortgage shall be subject to the lien of all unpaid assessments which became due and payable for that Townhome Unit subsequent to the date the holder of said mortgage takes possession of that Townhome Unit, accepts a conveyance of any interest in that Townhome Unit, or has a receiver appointed in a suit to foreclose its lien. The lien of the assessments shall not be affected by the sale or transfer of the corresponding Townhome Unit unless the sale or transfer is pursuant to the foreclosure of the first mortgage thereon. In such a case, the transfer of title pursuant to the foreclosure shall extinguish the lien. However, neither the personal obligation of the transferor, if any, nor the resulting pro rata share of the burden of such non-payment or non-enforcement, imposed through a subsequent assessment, shall be affected.
9. **Limitation.** With regard to any Townhome Unit which is being constructed or which has been completed and to which title has not been conveyed to a third party by Declarant, the assessment respecting any such Townhome Unit shall be limited to the aggregate amount of actual operating expenses from time to time required to be paid with respect to such Townhome Unit; provided, however, that in the event Declarant enters into a lease or installment contract with a third party for any Townhome Unit, then Declarant shall, as of the first day the third party is entitled to possession under such lease or contract, be responsible for the payment of all assessments on those Townhome Units on the same basis as any other Owner as provided in this Article. Actual operating expenses shall mean those expenses attributable only to the period in question covering the maintenance and operation of the Property and shall not include capital expenditures, amounts set aside as a reserve for contingencies or replacements, or inventory items to the extent attributable to subsequent periods. Until such time as the Turnover Date has occurred, the assessments covering the Townhome Units which have not been sold by Declarant may be paid on a monthly basis or, at its option, paid to the Association at the close of each calendar year without interest. The provisions of the Section shall not be changed, amended or modified without the prior written consent of Declarant.

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ARTICLE VII

INSURANCE

1. **Association's Obligation to Provide Insurance.** (a) The Association, acting through the Board of the Park Place Homes Association, shall have the authority to and shall, on behalf of the Townhomes of Park Place Homes Association, procure the insurance provided for in this Article VII on behalf of the Association. The Board shall ensure that the following insurance is maintained: (i) comprehensive public liability insurance, including liability for injuries to and death of persons in an amount not less than Two Million Dollars (\$2,000,000.00) per occurrence, and property damage, in such limits as the Board shall deem desirable, and other liability insurance as the Board may deem desirable, insuring the Association from liability in connection with the ownership and/or use of the Common Area; and (ii) such policies of insurance for the Common Area against loss or damage by fire and such other hazards contained in a customary "all risk" policy provided that such policies shall: (a) provide that such policies may not be canceled or substantially modified without at least thirty (30) days written notice to the Association and all Eligible Mortgage Holders; (b) provide that all Eligible Mortgage Holders shall have the right to pay overdue insurance premiums and to obtain new coverage in the event the existing insurance policy lapses; (c) provide for coverage in the amount of one hundred percent (100%) of current full replacement value; and (d) contain standard mortgage clause endorsements in favor of the Eligible Mortgage Holders, as their respective interests may appear. Replacement cost shall be determined annually by an independent appraiser or by a method acceptable to the insurance company providing such coverage. The liability policy shall also name as insureds the Association, the Owners, and their respective agents, officers, and employees, as their interests may appear.

(b) The Association shall be responsible for procuring and maintaining a fidelity bond insuring the Association, the Board and the Owners against loss of funds as a result of the fraudulent or dishonest acts of any employee of the Association or its management agent or of any other person handling the funds of the Association, the Board or the Owners in such amounts as the Board shall deem necessary but not less than 150% of the annual operating expenses of the Association, including reserves. Such bond shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Such bond shall provide that it may not be canceled for non-payment of any premiums or otherwise substantially modified without thirty (30) days prior written notice to all Eligible Mortgage Holders.

(c) The Association also shall have authority to and shall obtain such insurance as it deems prudent, in such amounts, from such sources and in such forms as it deems prudent, insuring each member of the Board and officer of the Association, and each member of any committee appointed pursuant to the By-Laws of the Association, from liability arising from the fact that any such person is or was a director or officer of the Association or a member of such a committee.

(d) The Association may also obtain such other kinds of insurance as the Association shall from time to time deem prudent in such amounts as the Association shall deem desirable including, but not limited to, the following: earthquake and flood risk; directors and officers liability; worker's compensation and employer liability; and non-owned or hired automobile insurance. The premiums for all Association insurance policies shall be chargeable to the Townhomes at Park Place Homes Association.

In the event that at any time the Board of Directors of the Park Place Homes Association shall fail or refuse to procure the insurance coverage provided herein, the Board of Directors of the Townhomes at Park Place Homes Association shall procure such coverage as a Common Expense.

2. **Owner's Obligation to Provide Insurance.** Each Owner shall procure and maintain in full force at all times insurance covering his Townhome Unit consisting of, or providing all the protections afforded by, the insurance now generally described in an "all risk" policy to one hundred percent (100%) of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation, less a deductible amount of no more than one thousand dollars (\$1,000.00) and naming the

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Association as an additional insured on each policy. A certificate of insurance evidencing such coverage shall be furnished to the Association and new certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association in each case at least ten (10) days prior to the expiration date of the expiring insurance. In the event a Townhome Unit or any portion thereof shall be damaged or destroyed by fire or other casualty, the Owner thereof shall cause it to be repaired, restored or reconstructed, as the case may be, and the repairs, restoration or reconstruction shall be in the same architectural style and design as was originally constructed and shall conform in all respects to all applicable laws or ordinances in force at the time of such repair, restoration or reconstruction. In the event of the total or substantial destruction of all of the Townhome Units, the architectural design of the Townhome Units to be rebuilt and the materials to be used in constructing the same shall be agreed upon among the Owners thereof, and in the absence of agreement, the rebuilt Townhome Units shall be substantially similar in architectural design as the original Townhome Units and shall be constructed of comparable materials and quality of construction.

In addition thereto, all Owners are required to obtain insurance covering their personal liability and compensatory (not consequential) damages to another Townhome Unit caused by the negligence of the Owner or his/her guests, residents, tenants or invitees, or their liability, regardless of any negligence, arising from the use or operation of the Townhome Unit. Townhome Unit coverage shall be an amount no less than One Million Dollars (\$1,000,000). Proof of said insurance must be submitted to the Association in the form of a Certificate of Insurance. The Certificate shall be submitted to the managing agent. The personal liability of a Townhome Owner or Association member must include the deductible of the Townhome Unit Owner whose Townhome Unit was damaged; any damage not covered by insurance required above, as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings to another Townhome Unit.

Finally, each Townhome Unit Owner shall be required to carry coverage for damage to their personal property and loss of use of the Townhome Unit resulting from any occurrence.

3. **Failure to Insure.** Upon the failure of any Owner to procure and maintain the insurance required in Article VII, Section 2 hereof, or, in the event the Board of the Park Place Homes Association and/or the Board of the Townhomes at Park Place Homes Association, in their discretion, determine that any Townhome Unit is underinsured, the Boards shall have the authority to procure such insurance and/or additional insurance, as the case may be, and the costs thereof shall become a lien upon the Townhome Unit in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments. Nothing contained in this Article VII, Section 3 shall be construed to obligate the Board to obtain any insurance coverage for any Owner.
4. **Repair and Restoration.** All repair, restoration or rebuilding shall be carried out under such supervision and direction as the Board shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the Owner or Owners of each Townhome Unit which shall have been damaged or destroyed shall fully cooperate with, and abide by all instructions and directions of, the Association in connection therewith.
5. **Cooperation of Mortgagees.** In the event of damage or destruction of a Townhome Unit, the holder of the mortgage encumbering said Townhome Unit shall cause the proceeds of any insurance required pursuant to Article VII, Section 2 hereof to be utilized in restoring the Townhome Unit pursuant to the terms of this Article.
6. **Association's Ability to Repair.** In any case in which the Owner or Owners concerned shall fail to perform or cause to be performed the repair, restoration or rebuilding required by the provisions of this Article VII, the Association shall cause such repairs or rebuilding to be furnished, provided and installed in the manner as set forth in Article VII, 2 hereof; provided, however, that to the extent the insurance proceeds referred to in Article VII, Section 2 are insufficient as to any Townhome Unit, the particular Owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby granted, a continuing lien on the Townhome Unit for which any such repairs or rebuilding are

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furnished by the Association in the aggregate amount of (a) the amount that the cost thereof exceeds insurance proceeds, (b) interest at the rate of four one-hundredths of one percent (0.04%) for each day after the date of payment by the Association of such amount, and (c) reasonable attorneys' fees and any court or other costs incurred by the Association in connection therewith, which lien shall bind such Townhome Unit. In the event such Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien shall be foreclosed against the Townhome Unit by the Association in the same manner as herein provided in connection with unpaid assessments. The Association's lien created pursuant to this Article VII, Section shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Townhome Unit.

7. **Damage to Exterior.** In the event of any damage or destruction to the exterior portion of a Townhome Unit and the loss is covered by policies of insurance, the Board shall have the authority to settle and adjust any claim under such policies without the consent of the respective Owner.

8. **Miscellaneous Insurance Provisions.** Each policy of insurance obtained hereunder shall: (a) contain, if possible, a waiver of subrogation rights by the insurer; (b) be issued by a company rated at least "Excellent" under the Best rating system (or its successor as the leading insurance rating system) and; (c) if such coverage is available, shall provide that the acts of any insured party shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under the policy. Each such policy of insurance shall cover claims of one or more insured parties against other insured parties.

ARTICLE VIII

INTERIM PROCEDURE

1. **Declarant as Owner.** Until each and every Townhome Unit has been conveyed by Declarant to the first Owner thereof (or to such Owner's nominee) other than Declarant, Declarant, with respect to each such unsold Townhome Unit and as specified herein, shall have all the rights granted to and obligations imposed upon the Owners.

2. **Declarant Controlled Board.** Until the initial meeting of the Members upon the Turnover Date, Declarant (or its beneficiary or designees) may appoint the Board which shall have the same powers and authority as given to the Board generally. The Board controlled by Declarant shall have three (3) members.

3. **Declarant to Collect Assessments.** The powers granted to Declarant by Section 8.02 hereof shall include, without limitation, the power to assess upon and collect assessments from the individual Owners.

ARTICLE IX

RESTRICTIONS RELATING TO PROPERTY

1. **Compliance with Laws.** The Owners shall comply with all applicable ordinances, codes and regulations of the City of Chicago in connection with the use of any Townhome Unit.

2. **Freehold.** Each Townhome Unit shall constitute a freehold estate subject to the terms, conditions and provisions and to the limitations and exceptions to title shown in the deed of conveyance of each Townhome Unit from the Developer to the first Owner thereof.

3. **Residential Use.** The Townhome Units shall be used only for private residential purposes, and no professional business or commercial use shall be made of the same, nor shall any use of a Townhome Unit endanger the health or disturb the reasonable enjoyment of any other Owner or resident, except as provided in Article IX, Section 7 herein. Nothing contained in this Section shall be construed to prohibit

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an Owner from (a) maintaining a home office or personal professional library therein; (b) keeping his personal, business or professional records or accounts therein; (c) handling his personal, business or professional telephone calls or correspondence therefrom; or (d) maintaining a "home office" as the municipal ordinances may allow from time to time.

4. **Additional Construction.** No buildings other than Townhome Units originally constructed by Declarant shall be constructed at the Property. All repairs, renovation, and reconstruction which occurs on the Property shall be carried out under the supervision and direction of the Board in order to assure the expeditious and correct completion of the work concerned.
5. **Limitation on Use.** No structure of a temporary character, trailer, tent, shack, garage or other outbuilding shall be used as a residence at any time, either temporarily or permanently or may be erected on or around any Townhome Unit. No rebuilding or expansion of any Developer-built roof deck shall be done without prior written consent of the Board. No Roof Decks shall be permitted on any Townhome Units other than those constructed by the Developer on Lot 37.
6. **Signage.** No advertising sign (except one "For Rent" or "For Sale" sign of not more than four square feet per Townhome Unit), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the Townhome Unit except as provided in Article IX, Section 7 hereof. Any such sign shall be in compliance with all applicable municipal ordinances. Owners may erect one "Open House" sign of not more than four square feet on the Common Area or their Townhome Unit on the day of any such open house.
7. **Exception.** The covenants contained in this Article IX shall not apply to the activities of the Association or Declarant. Declarant may maintain temporary facilities while engaged in construction and sales activities upon such portions of the Property as Declarant determines in its sole discretion may be necessary or convenient, including, without limitation, offices, storage areas, temporary toilets, model units, signs and construction and storage trailers.
8. **Animals.** No animals, livestock or poultry of any kind shall be raised, bred, or kept on the Property, except that dogs, cats or other common household pets (not to exceed a total of two (2) dogs, cats (or combination thereof)) may be kept at any Townhome Unit provided that they are not kept, bred, or maintained for any commercial purposes. Any pet that causes or creates a nuisance or unreasonable disturbance in the sole discretion of the Board, shall be permanently removed from the Property upon five (5) days' written notice from the Board.
9. **Refuse.** All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Townhome Units and streets and shall be regularly removed from the Property; however, the day before refuse pick-up, Owners may place refuse/garbage containers behind their garage (so long as the same do not obstruct or interfere with use of the private drive) or as designated by the City of Chicago or the Association's designated scavenger service.
10. **Clothes Drying.** Drying of clothes shall be confined to the interior of the Townhome Unit.
11. **Antennae and Other Structures.** Without prior written authorization of the Board, such authorization not to be unreasonably withheld, no television, radio or ham radio antennas, or satellite dishes of any sort shall be placed, allowed or maintained on the exterior of any Townhome Unit or any portion of the exterior of the improvements located on the Property, nor upon any structure situated upon the Property. The Declarant or the Board shall designate a location for installation of all individual satellite dishes, to ensure that the architectural aesthetics of the Project are not compromised.
12. **Restriction.** An Owner shall take no action that will impair any easement or hereditament, nor do any act or permit any condition to exist which will adversely affect the other properties or their owners.

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13. **Color.** There shall be no change in any exterior color of any Townhome Unit from the color scheme in place at the time of the initial conveyance of the Townhome Unit from Declarant without the prior written approval of the Board.
14. **Fences, Porches, Roof Decks, Etc.** There shall be no fences, screened porches, patios, decks, roof top deck extension for Lot 37 or similar improvements commenced, erected, or maintained upon any Townhome Unit, other than those constructed by Declarant, if any, without first obtaining the prior written approval of the Board and thereafter (but only thereafter) seeking and obtaining, as required, the issuance of any appropriate permit or variation from the City of Chicago. In no event shall Roof Decks be permitted on any Townhome Unit other than those constructed by the Developer on Lot 37. There shall be no changes to the exterior approved elevations and/or plans. No such improvements, other than those constructed by Declarant, if any, shall encroach upon any portion of the Common Area without the express prior written consent of the Board. No plantings in easement areas reserved to the Association.
15. **Nuisance.** No nuisance, noxious or offensive activity shall be carried on the Property nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or Occupants. No motor vehicles of any kind, including but not limited to motorcycles, boats, RVs and aircraft, shall be kept or stored in any Townhome Unit yard; any of the same shall be kept only in the Townhome Unit's garage.
16. **Easement for Maintenance and Repair.** Each Townhome Unit is hereby declared to be subject to an easement and right to aid in favor of the Association and each and all of the Association's employees, agents and instrumentalities to go upon such Townhome Unit for reasonable inspection thereof from time to time and for the purpose of carrying out any and all of the obligations and functions with respect to such Townhome Unit as are herein imposed upon or permitted to the Association. Each Townhome Unit is further declared to be subject to an easement in favor of any adjoining Townhome Unit to the extent necessary to permit the maintenance, supply, repair, and servicing of utility and other services to the various Townhome Units located thereon.
17. **Additional Easements.** The Owner of each Townhome Unit shall from time to time grant such additional easements and rights over, across, on, under and upon his Townhome Unit as may be reasonably necessary in connection with the supply of any utilities to any part of the Property.
18. **Rules and Regulations.** The Board may adopt rules and regulations from time to time governing the use and enjoyment of the Common Area and the use of the Townhome Units as the Board, in its sole discretion, deems appropriate or necessary.
19. **Restrictions on Usage of Garages, Common Area.** (a) Subject to applicable municipal ordinances, garages shall be used only for parking of vehicles and for storage of personal property that does not constitute a nuisance and so long as storage does not increase the rating or rates of insurance to Owners of garages that share party walls.
- (b) Parking, other than attended standing for deliveries not to exceed 15 minutes, is prohibited anywhere in the Common Area.
- (c) The Board may authorize vehicles parked in violation of this Article IX, Section 19 to be towed away and any such towing charge shall become a lien upon the Townhome Unit of the owner of the vehicle in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments.
20. **Common Easements for Maintenance and Repair.** Each Townhome Unit and the Common Area are hereby subjected to a permanent easement appurtenant to any adjoining Townhome Unit and any adjoining portion of the Common Area to permit the construction, existence, maintenance, repair and restoration of structures located on such adjoining Townhome Unit or portion of the Common Area, provided that the construction of such structure is permitted and approved as elsewhere herein provided.

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The Owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to maintain, repair and restore any improvements located on the dominant tenement provided, however, that such entry shall be allowed only during daylight hours and with the prior knowledge of the Owner of the servient tenement. In case of emergency, such right of entry shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the Owner of the servient tenement. The Owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the Owner of the dominant tenement granted by this Article IX, Section 20. Any such improvement, material or obstacle shall be promptly removed by the Owner of the servient tenement at that Owner's expense when requested by the Owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area.

ARTICLE X

PARTY WALLS

1. **Party Walls.** All dividing walls which straddle the boundary line between Townhome Units and which stand partly upon one Townhome Unit and partly upon another, and all walls which serve two or more Townhome Units, shall at all times be considered party walls (individually a "Party Wall" and collectively "Party Walls") and each of the Owners of Townhome Units upon which any Party Wall shall stand shall have the right to use the Party Wall below and above the surface of the ground and along the whole length or any part of the length thereof for the support of said Townhome Units and for the support of any building constructed to replace the same and shall have the right to maintain in or on the Party Wall any pipes, ducts or conduits originally located therein or thereon, subject to the restrictions hereinafter contained.
2. **No Alteration.** No Owner of any Townhome Unit nor any successor in interest to any such Owner shall have the right to extend a Party Wall in any manner, either in length, height or thickness.
3. **Damage and Restoration.** In the event of damage to or destruction by fire or other casualty of any Party Wall, the Owner of any Townhome Unit upon which a Party Wall may rest shall have the obligation to repair or rebuild such wall and the Owner of each Townhome Unit upon which such wall shall rest, be served or benefited by shall pay his aliquot portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, in a good and workmanlike manner with materials comparable to or better than those used in the original wall and shall conform in all respects to the laws and ordinances regulating the construction of building in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall.
4. **Additional Recovery.** The foregoing provisions of this Article X notwithstanding, the Owner of any Townhome Unit, or other interested party, shall retain the right to receive a larger contribution from another or others under any law regarding liability for negligent or willful acts or omissions. The right of any Owner, or other interested party, to contribution from any other Owner under this Article X shall be appurtenant to the land and shall pass to such Owner's or other applicable person's successors in title.
5. **Cross-Easements.** The title of each Owner to the portion of each Party Wall within such Townhome Unit is subject to a cross easement in favor of the adjoining Owner for joint use of said wall for purposes described in this Article X.

ARTICLE XI

PARKING

1. **Garages.** Each Townhome Unit includes a Garage.

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2. **Maintenance and Repair.** Except as otherwise provided in this Declaration, each Owner shall maintain his/her Garage, and the Garage doors in a clean, sightly, safe, unobstructed, good and usable condition.
3. **Insurance.** Each Owner shall maintain adequate insurance for his/her Garage in accordance with Article VII.

ARTICLE XII

MISCELLANEOUS

1. **Enforcement.** The Association or any Owner, their successors or assigns, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Any Owner found to be in violation by a court of competent jurisdiction of any of the foregoing shall also be liable for reasonable attorneys' fees incurred by the Association in prosecuting such action. The amount of such attorneys' fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Owner's Townhome Unit, enforceable as other liens herein established. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Any aggrieved 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 Owner (or Occupant of his Townhome Unit).
2. **Severability.** If any one or more of the terms, provisions, promises, covenants or conditions contained in this Declaration shall be adjudged to be invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction or an arbitration tribunal, such provision shall be as narrowly construed as possible, and each and all of the remaining terms, provisions, promises, covenants and conditions contained in this Declaration or their application to other persons or circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
3. **Binding Effect.** Except as otherwise expressly provided herein, the easements created by this Declaration shall be of perpetual duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any real property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 50 years from the date that this Declaration is recorded, after which time the same shall be automatically extended for successive periods of 10 years each.
4. **Perpetuities and Other Invalidity.** If and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting restraints on alienation, or (c) any other applicable statute or common law rule analogous to any thereof or otherwise imposing limitations upon the time for which such covenants may be valid, then the provision concerned shall continue and endure only until the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of George W. Bush, President of the United States, living at the date of this Declaration.
5. **Notices.** Any notices required under the provisions of this Declaration to be sent to any Member, Owner, or to any holder, insurer or guarantor of a first mortgage secured by any portion of the Property shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Member, Owner or holder, insurer or guarantor as it appears on the records of the Association at the time of such mailing.

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6. **Amendments.** (a) Except as otherwise provided herein, the covenants and restrictions of this Declaration may be amended by an instrument by those Members entitled to cast sixty seven percent (67%) of the total votes of the Association and then properly recorded, provided, however, that no Material Amendment to this Declaration, the By-Laws or the Association's articles of incorporation shall be effective unless approval thereof is obtained from Eligible Mortgage Holders representing at least fifty-one percent (51%) of the Townhome Units that are subject to mortgages held by Eligible Mortgage Holders. Any instrument executed pursuant to the provisions contained in this Article XII, Section 6 shall be filed for record in the Office of the Cook County Recorder of Deeds and a true, complete copy of such instrument promptly shall be transmitted to each Owner. No amendment may adversely affect the rights of the Declarant without Declarant's express written consent.
- (b) If there is an error or omission in this Declaration or other instrument of the Association, the Association may correct the error or omission by an amendment to the Declaration or other instrument, as may be required to fix the error, to conform the document to any applicable statute or to the Declaration. The amendment shall be adopted by the affirmative vote of two-thirds of the Board or by a majority vote of all the Owners at a meeting called for the purpose.
- (c) If through a scrivener's error, a Townhome Unit has not been designated as owning an appropriate undivided share of the Common Area or does not bear an appropriate share of the common expenses, or if all of the Common Area has not been distributed in the Declaration so that the sum total of the percentage interests in the Common Area fails to equal 100%, or if it appears that more than 100% of the Common Area or common expenses have been distributed, the error may be corrected by operation of law by filing an amendment to this Declaration approved by the affirmative vote of two-thirds of the Board or by a majority vote of all the Owners at a meeting called for the purpose.
- (d) If the Board corrects an error or omission in accordance with Article XII, Sections 6(b) or (c) above, the Board, upon written petition by Owners owning at least 20% of the Townhome Units received within thirty (30) days of the action by the Board, shall call a meeting of the Owners to reconsider the action of the Board. Unless a majority of the Owners present at the meeting votes to reject the amendment, the action of the Board shall be deemed ratified, whether or not a quorum is present.
- (e) The procedures for amendments set forth in Article XII, Sections 6(b) and (c) cannot be used if such amendment would materially or adversely affect property rights of the Owners unless each affected Owner consents in writing. Article XII, Sections 6(b) and (c) do not restrict the ability of the Board and the Owners to otherwise amend the Declaration or other instruments, but rather authorize a simple process by which defects, errors, or omissions may be corrected when the property rights of the Owners are not adversely affected.
7. **Additional Remedies.** In addition to the provisions contained in Article VI, in the event of any default of any Owner, the Association, all other Owners may and shall have all rights and remedies as shall otherwise be provided or permitted by law or in equity.
8. **Encroachments.** In the event that any part of any Townhome Unit (including any service walk or driveway appurtenant thereto) encroaches or shall hereafter encroach upon any part of any other Townhome Unit (including any service walk or driveway appurtenant thereto) or the Common Area, valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of such encroachment remains; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Townhome Unit of another Owner, or if it occurred due to the willful conduct of any Owner.
9. **Restrictions on Leasing.** No Owner shall lease his or her Townhome Unit for a term of less than one (1) year. Every lease of a Townhome Unit shall be in writing and shall be made expressly subject to the requirements, rights, covenants, conditions, restrictions and easements of this Declaration and of the By-Laws. No later than fifteen (15) days prior to the commencement date of any lease, the owner of the

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Townhome Unit to be leased shall deliver a copy of the lease, the tenant's name and phone number to the Board. The entire Townhome must be leased as a whole. Subleases of part of the Townhome are prohibited. Garages cannot be leased separate from Townhomes. Parking spaces within Garages cannot be leased independently except to other Townhome Owners. The provisions of this Article XII, Section 9 shall not apply to the Declarant or its successor or assigns.

10. **Eligible Mortgage Holders.** The following provisions are intended for the benefit of each Eligible Mortgage Holder and to the extent if at all, that any other provisions of this Declaration conflict with the following provisions, the provisions of this Article XII, Section 10 shall control:

- (a) Upon request in writing to the Association identifying the name and address of the Eligible Mortgage Holder or the insurer or guarantor of a recorded first mortgage or trust deed on a Townhome Unit ("Insurer or Guarantor") and the Townhome Unit number, the Association shall furnish each Eligible Mortgage Holder, Insurer or Guarantor a written notice of the default of any Owner's obligations under this Declaration which is not cured within thirty (30) days. Any Eligible Mortgage Holder of a Townhome Unit who comes into possession of the said Townhome Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure shall, to the extent permitted by law, take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged Townhome Unit which become due prior to (i) the date of the transfer of title or (ii) the date on which the holder comes into possession of the Townhome Unit, whichever occurs first.
- (b) Upon request in writing, each Eligible Mortgage Holder, Insurer or Guarantor shall have the right:
- (i) to examine current copies of the Declaration, the By-Laws, rules and regulations and the books and records of the Association during normal business hours;
 - (ii) to receive, without charge and within a reasonable time after such request, an audited financial statement prepared by the Association at the end of each of its respective fiscal years;
 - (iii) to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;
 - (iv) to receive written notice of any decision by the Association of Owners to make a material Amendment to the Declaration, By-Laws or the articles of incorporation of the Association;
 - (v) to receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
 - (vi) to receive written notice of any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders; and
 - (vii) to receive written notice of any condemnation or casualty loss that affects either a material portion of the Property or the Townhome Unit on which it holds, insures or guarantees the mortgage.
- (c) No provision of this Declaration, the By-Laws or the articles of incorporation of the Association or any similar instrument pertaining to the Property or the Townhome Units therein shall be deemed to give an Owner or any other party priority over the rights of the Eligible Mortgage Holders pursuant to their mortgages in the case of distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of the Townhome Units, and/or the Common Area, or any portion thereof or interest therein. In such event, the Eligible Mortgage Holders, Insurers or Guarantors of the

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Townhome Units affected shall be entitled, upon specific written request, to timely written notice of any such loss.

(d) Upon specific written request to the Association, each Eligible Mortgage Holder, Insurer or Guarantor of a Townhome Unit shall be furnished notice in writing by the Association of any damage to or destruction or taking of the Common Area if such damage or destruction or taking exceeds Ten Thousand Dollars (\$10,000.00).

(e) If any Townhome Unit or portion thereof, or the Common Area or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Eligible Mortgage Holder, Insurer or Guarantor of said Townhome Unit will be entitled to timely written notice, upon specific written request, of any such proceeding or proposed acquisition and no provisions of any document will entitle the owner of a Townhome Unit or other party to priority over such Eligible Mortgage Holder with respect to the distribution to such Townhome Unit of the proceeds of any award or settlement.

11. **Liberal Construction.** 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 attached development consistent.

12. **Eminent Domain.** If all or any part of the Common Area only shall be taken through condemnation by any governmental authority having power to do so, the net proceeds of such taking shall be paid to and retained by the then owner of the Common Area subject, however, to the rights of the holders of first mortgage liens on the Townhome Units. If any part of the Property including one or more Townhome Units shall be taken by one or more concurrent condemnation proceedings, the entire net proceeds of such taking or takings, including (without limitation) all proceeds received on account of such taking of any part of the Common Area, shall be divided equitably among, and retained by, the Owners of the Townhome Units wholly or partially taken in such condemnation proceedings, subject to the rights of the holders of first mortgage liens on the Townhome Units. If the effect of such condemnation shall be to isolate any part of the Property from the remainder of the Property, and if no residential structures shall then have been constructed or be situated within the portion of the Property so isolated, then all the Townhome Units lying wholly or partly within the portion of the Property so isolated shall be deemed to have been and shall be removed from and released from all of the terms and provisions of this Declaration and this Declaration shall be of no further force or effect with respect thereto. For purposes of this Section 12.13, the term "condemnation" shall include also any sale under threat or condemnation to any governmental authority having condemnation power.

13. **Successor Association.** Upon any dissolution of the Association, its assets shall be transferred to another homeowner's association having similar purposes.

14. **Declarant's Right to Amend.** In addition to the Amendment rights reserved to the Declarant under Article XII, Section 6 herein, Declarant reserves the right and power, to be exercised without the consent of any Owner or Eligible Mortgage Holder, to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which causes this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public, or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering a Townhome Unit, or (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Townhome Unit, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the

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power of Declarant to vote in favor of, make, execute and record Special Amendments. The right of Declarant to act pursuant to rights reserved or granted under this Article XII, Section 14 shall terminate at such time as Declarant no longer holds or controls title to any Townhome Unit.

Notwithstanding the foregoing, and strictly in addition to and exclusive of every other right reserved to Declarant under and pursuant to the Declaration, Declarant hereby reserves the right, within not more than five (5) years from the date of Recording of this Amendment, to execute, record, file and consent to a plat of consolidation or resubdivision resubdividing the Property and any portion of it, alone or together with adjoining lands then owned by Declarant (whether or not then submitted to the Act), or a plat of dedication of portions of the Property and any portion of it including but not limited to Common Areas located on it, alone or together with adjoining lands then owned by Declarant (whether or not then submitted to the Act) as may be required to comply therewith, and to execute and consent to each such plat on behalf of the Association, all Unit Owners, and to all mortgagees, of every portion of the Property. It is expressly understood that the right of the Declarant to Record a plat pursuant to this subparagraph shall not include the right to dedicate to public use any part of the individual Townhome Units or Lots excepting only those parts of the Common Areas which by design are accessible to and intended for the use of and enjoyment by the public, or which have the effect of relieving the Association of obligation and cost for repair, maintenance and replacement thereof and imposing the same on the City. In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, acting by or through its duly authorized officers, designees, successors and agents, and each of them singly, as attorney-in-fact to execute, Record, file and consent to each such plat without notice to any Townhome Owner or to any mortgagee of any portion of the Property. Each deed, mortgage or other instrument with respect to a Townhome Unit, and acceptance thereof, shall be deemed a grant of such power to each of these attorneys-in-fact, an acknowledgement of and consent to such power, and shall be deemed reserved to each of these attorneys-in-fact the power to execute, Record, file and consent to the applicable plat described above.

15. **Address of Eligible Mortgage Holder.** Each Owner shall notify the Association of the name and address of the Eligible Mortgage Holder relating to his respective Townhome Unit.

16. **Annexing Additional Property.** The Declarant reserves the right, from time to time, within twenty-five (25) years of the date of recording of this Declaration, to annex and add to the Property created by this Declaration all or any portion of the real property legally described in Exhibit D attached hereto, which real property is hereinafter referred to as the "additional property".

No rights of any character whatsoever within the additional property attached to any Owner, except as to that portion described in any recorded Amended Declaration annexing and adding such portion to this Declaration, is part of the Property area created by this Declaration.

In the event of any such addition, the Declarant further reserves the right to reallocate percentage interest recording an amended Plat, together with an amendment to this Declaration. The approval of any of the Unit Owners to such Amendment shall not be required.

The percentage of undivided ownership interest in the Common Areas as amended by such Amended Declaration, shall be determined and adjusted in the following manner.

The Common Areas, as amended by such Amended Declaration, shall be deemed to consist of:

(a) The Common Areas as existing immediately prior to the recording of such Amended Declaration (hereinafter referred to as the "existing Common Areas");

(b) The Common Areas added by such Amended Declaration (hereinafter referred to as "added Common Areas").

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17. **Gender and Number.** Whenever the context of this Declaration requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

18. **Obligations Upon Resale.** In the event of a resale of any Townhome Unit by an Owner other than Declarant, the Owner shall obtain from the Board and shall make available for inspection to the prospective purchaser, upon demand, the following:

- (a) A copy of this Declaration, other recorded instruments, and any rules and regulations;
- (b) A statement of any liens, including a statement of the account of the particular Townhome Unit setting forth the amount of unpaid assessments and other charges due and owing;
- (c) A statement of capital expenditures anticipated by the Association within the current or succeeding two (2) fiscal years;
- (d) A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the Board;
- (e) A copy of the statement of financial condition of the Association for the last fiscal year for which such a statement is available;
- (f) A statement of the status of any pending suits or judgments in which the Association is a party;
- (g) A statement setting forth what insurance coverage is provided for all Owners by the Association; and
- (h) A statement that any improvements or alterations made to the Townhome Unit or any part of the Common Area assigned thereto, by the prior Owner are in good faith believed to be in compliance with this Declaration.

The Board shall ensure that the above information is furnished, when requested to do so in writing, within thirty (30) days of receiving the request. A reasonable fee covering the direct out of pocket cost of copying and providing such information may be charged by the Association or the Board to the Owner who is selling his Townhome Unit for providing this information.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed on the date set forth above.

5007 LAWNSDALE CORPORATION,
AN ILLINOIS LIMITED LIABILITY COMPANY,

By: 

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State of Illinois)
County of _____) SS

The undersigned, a notary public in and for said county, in the state aforesaid, does hereby acknowledge that TED Mazola, the President of 5007 Lawndale Corporation, an Illinois corporation, as Declarant, appeared before me this day and acknowledged that he signed this Declaration as his free and voluntary act and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

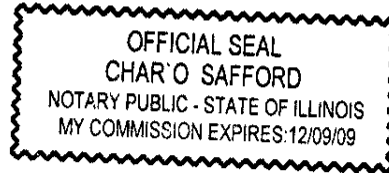
GIVEN under my hand and Notarial Seal this 11 day of January, 2008.

NOTARY PUBLIC

Char'o Safford
Date: 12.9.09

My Commission Expires

1512215v1



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CONSENT OF MORTGAGEE

THE PRIVATE BANK TRUST as holder of a Mortgage on the Property dated JUNE 28, 2006 and recorded JULY 7, 2006, as Document 06/88/8010 hereby consents to the execution and recording of the within Declaration of Party Wall Rights, Covenants, Conditions, Restrictions, and Easements and agrees that said mortgage is subject and subordinate to the provisions of said Declaration.

IN WITNESS WHEREOF, the said Mortgagee has caused this instrument to be signed by its duly authorized Officers on its behalf, all done at CHICAGO, Illinois on this 9th day of JANUARY, 2008.

Bank
By: [Signature]
Its: MANAGING DIRECTOR

ATTEST:

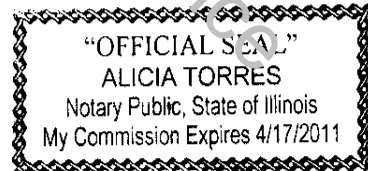
By: [Signature]
Its: Associate Managing Director

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, THE UNDERSIGNED, a Notary Public in and for County and State aforesaid, do hereby certify that JAMES WAGNER and MATTHEW BREWER who as Officers of Bank subscribed to the foregoing instrument as such, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 9th day of January, 2008.

[Signature]
Notary Public



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EXHIBIT A LEGAL DESCRIPTION OF THE PROPERTY

LOT 37:

3619 W 50th Place
(UNIT 37-1)

THE EAST 22.17 FEET OF LOT 37 IN PARK PLACE UNIT 1, BEING A SUBDIVISION OF PART OF THE SOUTH $\frac{1}{2}$ OF THE EAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT NO. 0734003180 IN COOK COUNTY, ILLINOIS.

3621 W 50th Place
(UNIT 37-2)

THE WEST 18.00 FEET OF THE EAST 40.17 FEET OF LOT 37 IN PARK PLACE UNIT 1, BEING A SUBDIVISION OF PART OF THE SOUTH $\frac{1}{2}$ OF THE EAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT NO. 0734003180 IN COOK COUNTY, ILLINOIS.

3623 W 50th Place
(UNIT 37-3)

THE WEST 20.00 FEET OF THE EAST 60.17 FEET OF LOT 37 IN PARK PLACE UNIT 1, BEING A SUBDIVISION OF PART OF THE SOUTH $\frac{1}{2}$ OF THE EAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT NO. 0734003180 IN COOK COUNTY, ILLINOIS.

3625 W 50th Place
(UNIT 37-4)

THE WEST 22.33 FEET OF LOT 37 IN PARK PLACE UNIT 1, BEING A SUBDIVISION OF PART OF THE SOUTH $\frac{1}{2}$ OF THE EAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT NO. 0734003180 IN COOK COUNTY, ILLINOIS.

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EXHIBIT B
LEGAL DESCRIPTION OF THE COMMON AREA

LOTS 56 AND 63 IN PARK PLACE UNIT 1
BEING A SUBDIVISION OF PART OF THE SOUTH $\frac{1}{2}$ OF THE EAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF
SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN
COOK COUNTY, ILLINOIS

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EXHIBIT C
BY-LAWS OF
THE TOWNHOMES AT PARK PLACE HOMES

ARTICLE I

Members Owners

Section 1. ELIGIBILITY. The members of THE TOWNHOMES AT PARK PLACE HOMES ASSOCIATION, an Illinois not-for-profit organization (the "Association"), shall consist of the respective Owners of the property known as PARK PLACE TOWNHOMES and located in Chicago, Illinois (called "Property") and shall have one class of membership. These and other terms are used in these By-Laws as they are defined in the Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for The Townhomes at Park Place Homes Association (the "Declaration"). The words "member" or "members" as used in these By-Laws mean and shall refer to "Owner" or "Owners," as the case may be, as defined in the Declaration.

Section 2. SUCCESSION. The membership of a Owner in the Association shall terminate when he ceases to be a Owner and upon the sale, transfer or other disposition of such Owner's ownership interest in the Property said Owner's membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest. Notwithstanding the preceding sentence, in the event of a resale of a Townhome Unit, the purchaser of a Townhome Unit from a seller other than Declarant pursuant to an installment contract for purchase shall, during such times as he resides in the Townhome Unit, be counted toward a quorum for purposes of election of members of the Board at any meeting of the Owners called for purposes of electing members of the Board, shall have the right to vote for the election of members of the Board and shall have the right to be elected to and serve on the Board unless the seller expressly retains in writing any or all of such rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office or be elected and serve on the Board. Satisfactory evidence of the installment contract shall be made available to the Association or its agents. An installment contract shall have the same meaning as set forth in the Dwelling Unit Installment Contract Act of the State of Illinois, 765 ILC S 75/1.

Section 3. REGULAR MEETINGS. The first annual meeting of Association members (the "First Meeting") may be held subject to the terms hereof on any date at the option of the Declarant, provided, however, that said First Meeting shall be held not more than sixty (60) days after Declarant has sold and delivered its deed for at least 75% of the Townhome Units on the Property or three (3) years after the recording of the Declaration, whichever shall first occur and further provided that the Declarant shall give the Owners at least twenty-one (21) days notice of the First Meeting. For purposes of this provision, 75% of the Townhome Units shall mean Townhome Units which correspond, in the aggregate, to 75% of the undivided ownership of the Common Area appurtenant to the Townhome Units on the Property. Subsequent to the First Meeting, there shall be a regular annual meeting of Owners held in the same month each year. All such meetings of Owners shall be held at such place in Cook County, Illinois and at the time specified in the written notice of such meeting which shall be delivered to all Owners at least ten (10) days and not more than thirty (30) days prior to the date of such meeting.

Section 4. SPECIAL MEETINGS. Special meetings of the Owners may be called at any time after the First Meeting for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Owners, or for any other reasonable purpose provided, however, the approval of not less than 66 2/3% of the members shall be required for the following matters: (i) the merger or consolidation of the Association; (ii) the sale, lease, exchange or other disposition (excluding the mortgage or pledge) of all, or substantially all of the property and assets of the Association; and (iii) the purchase or sale or lease of Townhome Units or other real estate on

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behalf of all Owners. Special meetings may be called by the President, by a majority of the Board or by twenty percent (20%) of the Owners, provided that said special meetings shall be called by delivering written notice to all Owners not less than ten (10) days nor more than thirty (30) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered.

Section 5. DELIVERY OF NOTICE OF MEETINGS. Notice of a meeting may be delivered either personally or by mail to a Owner at the address given to the Board by said Owner for such purpose or to the Owner's Townhome Unit if no address for such purpose has been given to the Board. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States Mail addressed to the Owner at his or her address as aforesaid, with postage prepaid thereon.

Section 6. VOTING. The aggregate number of votes for all Owners shall be one hundred (100) and shall be divided among the respective Owners in accordance with their respective percentage of ownership interest in the Common Area, as set forth in Exhibit D of the Declaration, as said Exhibit D may be amended from time to time; provided that when thirty percent (30%) or fewer of the Townhome Units, by number, possess over fifty percent (50%) in the aggregate votes in the Association, any percentage vote of Owners specified herein shall require the specified percentage by number of Townhome Units rather than by percentage of interest in the Common Area allocated to Townhome Units that would otherwise be applicable. If any Owner consists of more than one person and only one of the multiple owners of such Townhome Unit is present at a meeting of the Association, such owner shall be entitled to cast all of the votes allocated to that Townhome Unit. In the event more than one owner of a Townhome Unit is present, the votes allocated to that Townhome Unit may be cast only in accordance with the agreement of a majority in interest of the group of owners comprising the Owner. Majority agreement shall be deemed to have occurred if any one of the multiple owners casts the votes allocated to that Townhome Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Townhome Unit. Declarant may exercise all voting rights with respect to the Townhome Units owned by it from time to time. Unless otherwise expressly provided herein, any action may be taken at a meeting of the Owners at which a quorum is present upon the affirmative vote of the Owners having a majority of the total votes present and voting at such meeting.

Section 7. QUORUM. A quorum of Owners for any meeting shall be constituted by Owners, represented in person or by proxy, holding twenty percent (20%) of the votes entitled to be cast at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 8. PROXIES. At any meeting of Owners, a member of the Association entitled to vote may vote either in person or by proxy executed in writing by the member or by his or her duly authorized attorney-in-fact and in accordance with any rules and regulations. No proxy shall be valid after eleven months from the date of its execution. Any proxy distributed for Board elections by the Board shall give Owners the opportunity to designate any person as the proxy holder and give the Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

ARTICLE II

Board of Directors

Section 1. GENERAL POWERS. The affairs of the Association shall be managed by its Board of Directors.

Section 2. NUMBER ELECTION AND TERM OF OFFICE. The Board of Directors of the Association (also sometimes referred to as the "board of managers," and sometimes referred to herein as the "Board") shall consist of three (3) members (herein referred to as "directors"). The directors shall be chosen by the Owners, except that the directors listed in the Articles of Incorporation of the Association (hereinafter called "members of the First Board" shall be appointed by Declarant. The First Board shall

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serve for a period commencing on the date the Declaration is recorded and ending upon the election of the directors elected at the First Meeting. Notwithstanding anything to the contrary in these By-Laws, commencing with directors elected at the First Meeting, the directors shall be classified with respect to the time for which they severally hold office into two classes, with each director in each class to hold office until his or her or successor is elected and qualified. At the First Meeting, all three (3) members of the Board shall be elected. Initially, the two (2) members receiving the highest votes shall be elected for a term expiring two (2) years and the remaining Director shall serve for one (1) year. Any member of the Board may succeed himself. At each annual meeting of members after the First Meeting, the successors of the class of directors whose term expires at such meeting shall be elected, by a vote of a plurality of the members present at such meeting, to hold office for a term expiring at the annual meeting of shareholders to be held in the second year following the year of their election. Any candidate for election to the Board, or such candidate's representative, shall have the right to be present at the counting of the ballots at such election. The Association may, upon the adoption of the appropriate rules by the Board, conduct elections by secret ballot whereby the voting ballot is marked only with the percentage interest for the Townhome Unit and the vote itself, provided the Board further adopts rules to verify the status of the Owner issuing a proxy or casting a ballot, and further that a candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of ballots at such election.

Section 3. **QUALIFICATION.** Each director, except for members of the First Board, shall be a Owner (or, if a Owner is a corporation, partnership or trust, a director may be an officer, partner, or beneficiary of such Owner). If a director shall cease to meet such qualifications, he or she shall thereupon cease to be a director and his or her place on the Board shall be deemed vacant.

Section 4. **VACANCIES, REMOVAL.** Any vacancy occurring in the Board may be filled only with a Owner or any other person meeting the qualifications set forth in Section 3 above except that prior to the First Meeting a vacant position on the Board may be filled by a person appointed by Declarant. Except as expressly provided herein, vacancies in the Board shall be filled by the Owners present at the meeting at which the vacancy occurs, the next annual meeting or a special meeting of the Owners called for such purpose. Vacancies may also be filled by the Board by not less than a 66 2/3% vote of the remaining members thereof, which vacancy shall be filled until the next annual meeting of members or for a period terminating no later than thirty (30) days following the filing of a petition signed by the Owners holding twenty percent (20%) of the votes of the Association requesting a meeting of the Owners to fill the vacancy for the balance of the term. A meeting of the Owners shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the Owners filing of a petition signed by Owners holding twenty percent (20%) of the votes of the Association requesting such a meeting. From and after the date of the First Meeting, any member of the board of directors may be removed from office by the affirmative vote of 66 2/3% of all the members.

Section 5. **MEETINGS.** A regular annual meeting of the Board shall be held without other notice than these By-Laws, immediately after, and at the same place as, the annual meeting of members. The Board shall hold at least an additional three (3) meetings annually. Special meetings of the Board shall be held upon a call by the President or by twenty-five percent (25%) of the Board, provided that each director is personally contacted and receives two (2) days notice. All meetings, whether regular or special, of the Board shall be open to all members, except for the portion of any meeting held (a) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such action is probable or imminent, (b) to consider information regarding appointment, employment or dismissal of an employee or (c) to discuss violations of rules and regulations of the Association or unpaid assessments owed to the Association, provided that the vote on any such matter shall be taken at a meeting or portion thereof open to any member. Any member may record the proceedings at meetings open to members, by tape, film or other means, subject to reasonable rules and regulations of the Board.

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Section 6. COMPENSATION. Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by two-thirds (2/3) of all Owners.

Section 7. QUORUM. Two (2) directors shall constitute a quorum.

Section 8. POWERS AND DUTIES. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and the Property;
- (c) to formulate policies for the administration, management and operation of the Property and the Common Area, including, without limitation, any recreational facilities;
- (d) to adopt rules and regulations, after written notice of the meeting called to adopt such rules and regulations is given to all Owners, governing the administration, management, operation and use of the Property and the Common Area, including, without limitation, any recreational facilities, and to amend such rules, and regulations from time to time;
- (e) to provide for the maintenance, repair and replacement of the Common Area, including, without limitation, any recreational facilities, and payment therefor, and to approve payment vouchers or to delegate such approval to the officers of the Association;
- (f) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and 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 the Common Area, including, without limitation, any recreational facilities;
- (g) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (h) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (i) to estimate the amount of the annual budget, to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses, as hereinafter provided, and to provide for reasonable reserves in accordance with sound practices and applicable law;
- (j) to grant easements, leases, licenses and concessions with respect to portions of the Common Area, including, without limitation, any recreational facilities;
- (k) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Owners as expressed in a resolution duly adopted at any annual or special meeting of the Owners;
- (l) to enter into management agreements;
- (m) to disseminate to Owners biographical and background information about candidates for election to the Board if: (i) no preference is expressed in favor of any candidate; and (ii) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include such information to be disseminated;

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- (n) to obtain or cause to be obtained and maintain fidelity insurance;
- (o) to exercise all other powers and duties of the board of managers or Owners as a group referred to in the Declaration or these By-Laws or the Business Corporation Act and Not-For-Profit Corporation Act of Illinois; and
- (p) to establish and maintain a system of master metering of public utility services and collect payments in connection therewith, subject to the requirements of the Tenant Utility Payment Disclosure Act.

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by law, the Declaration or these By-Laws.

Section 9. NOTICE. Notice of any special meeting of the Board shall be given at least two days previously thereto by written notice delivered personally or sent by mail to each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-Laws. Written notice of any meeting of the Board at which the adoption of the proposed annual budget or any increase or establishment of an assessment is to be considered shall be mailed or delivered to all members not less than ten (10) and not more than thirty (30) days prior to any such meeting. Written notice of other meetings of the Board shall be delivered or given to each member at least forty eight (48) hours prior thereto, subject to written waiver of such notice signed by the person or persons entitled thereto received by the Board prior to such meetings. Copies of notices of meetings of the Board shall be posted in the entranceway, elevators or other conspicuous place in the Building. Where there is no common entranceway for seven (7) or more Townhome Units, the Board may designate one or more locations in the proximity of the Townhome Units where the notices of meetings shall be posted.

Section 10. NON-DELEGATION. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the directors or the officers of the Association any powers or duties which, by law, have been delegated to the Owners.

ARTICLE III

Officers

Section 1. DESIGNATION. At each annual, meeting of the Board, the directors present at said meeting shall elect from among the directors the following officers of the Association by a majority vote:

- (a) a President, who shall preside over the meetings of the Board and of the Owners, who shall be the chief executive officer of the Association, and who shall mail and receive all notices and execute documents on behalf of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Owners and who shall, in general, perform all the duties incident to the office of Secretary;
- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

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(d) such additional officers as the Board shall see fit to elect.

Section 2. **POWERS.** The respective officers shall have the general powers usually vested by statute or practice in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. **TERM OF OFFICE.** Each officer shall hold office for the term of one year and until his or her successor shall have been appointed or elected and qualified. Any officer may succeed himself. An officer may resign his office but maintain his status as director.

Section 4. **VACANCIES.** Vacancies in any office shall be filled by the Board by a majority vote of the members thereof at a special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he or she succeeds. Any officer may be removed for cause at any time by the Board at a special meeting thereof.

Section 5. **COMPENSATION.** The officers shall receive no compensation for their services unless expressly provided for in a resolution duly adopted by two-thirds (2/3) of all Owners.

ARTICLE IV

Assessments

Section 1. **ANNUAL BUDGET.** The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year including salaries, wages, payroll taxes, legal and accounting fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, any expenses incurred in connection with the operation of any recreational facilities and all other common expenses. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the recreational facilities and other Common Area. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements in reasonable amounts as determined by the Board and in accordance with any requirements of applicable law. To the extent that the assessments and other cash income collected from the Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The estimated annual budget for each fiscal year and any amendments or changes thereto shall be approved by the Board.

Section 2. **ASSESSMENTS.** On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Owner shall pay, as his or her respective monthly assessment for the common expenses for such year, one-twelfth (1/12) of his or her proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Owner (except as provided in Section 6.09 of the Declaration with respect to the Declarant) shall be in accordance with his or her respective ownership interest in the Common Area, as set forth from time to time in Exhibit D of the Declaration. The Association shall have no authority to forbear the payment of assessments by any Owner.

Copies of said estimated annual budget and any amendments or changes thereto shall be furnished by the Board to each Owner not less than thirty (30) days before the adoption of such budget. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Owner shall continue to pay each month the amount of his or her respective existing monthly assessment. No Owner shall be relieved of his or her obligation to pay his or her assessment by abandoning or not using his or her Townhome Unit or the Common Area.

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If an adopted annual budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the fiscal year covered by such budget exceeding one hundred fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, the Board, upon written petition by Owners with twenty percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board's action in adopting such regular or separate assessments, shall call a meeting of the Owners within thirty (30) days of the date of delivery of such petition to consider the annual budget or separate assessment. Unless a majority of the total votes of the Owners are cast at such meeting to reject the budget or separate assessment, the budget and such separate assessment shall be deemed ratified.

Any common expense not set forth in the annual budget or any increase in assessments over the amount adopted in the annual budget shall be separately assessed against the Owners.

Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Owner approval or other requirements as described in this section. As used herein, "emergency" means an immediate danger to the structural integrity of the Common Area or to the life, health, safety or property of the Owners.

Assessments for additions and alterations to the Common Area or to property owned by the Association not included in the annual budget adopted by the Board shall be separately assessed and shall be subject to the approval of two-thirds (2/3) of the total votes of all Owners. The Board may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments, 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.

Section 3. PARTIAL YEAR OR MONTH. For the first fiscal year, the annual budget shall be as approved by Declarant. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Owner shall be proportionate to the number of months and days in such period covered by such budget.

Section 4. ANNUAL REPORT. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Owner an itemized accounting of the common expenses for the preceding fiscal year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures, repairs, or payment of real estate taxes, and with a tabulation of the amounts collected pursuant to the budget, showing the net excess or deficit of income over expenditures plus reserves and such other information as the Board may deem desirable.

Section 5. SUPPLEMENTAL BUDGET. In the event that during the course of any year it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Owner, and thereupon a supplemental assessment shall be made to each Owner for his or her proportionate share of such supplemental budget.

Section 6. LIEN. It shall be the duty of every Owner to pay his or her proportionate share of the common expenses as assessed in the manner herein provided.

If any Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with the amount of interest and late fees, if any, shall constitute a lien on the interest of such Owner in the Property which lien may be perfected and foreclosed in the manner provided by Illinois law; provided, however, that such lien shall be subordinate to the lien of a prior

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recorded first mortgage as provided in Section 6.08 of the Declaration. The provisions of the Declaration and these By-Laws applicable to the priority of liens held by first mortgagees shall not be amended, changed, modified or rescinded in any way without the prior written consent of all holders of first mortgage liens on Townhome Units on the Property.

The Association acting through the Board shall have the right to maintain a suit to foreclose any such lien 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. Furthermore, if any Owner shall fail or refuse to pay when due his or her proportionate share of the common expenses and such Owner withholds possession of his or her Townhome Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Townhome Unit. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Forcible Entry and Detainer Act, the Declaration or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments, late fees and collection costs.

Section 7. RECORDS AND STATEMENT OF ACCOUNT. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Area specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

Upon receipt of ten (10) days written notice to the Board or the Association from a Owner or from the encumbrancer of a Townhome Unit, and upon payment of a reasonable fee, the Board shall furnish to said Owner or encumbrancer a statement of the account setting forth the amount of any unpaid assessments or other charges due and owing from said Owner.

Section 8. DISCHARGE OF LIENS. The Board of Directors may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or the Common Area, rather than a lien against only a particular Townhome Unit. When less than all the Owners are responsible for the existence of any such lien, the Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien. Any amounts due the Association hereunder shall constitute a lien on the interest of the Townhome Unit of the responsible Owner, which lien may be perfected and foreclosed in the manner provided by Illinois law. Any such lien shall be junior and subordinate to the lien of a first mortgage with respect to such Townhome Unit.

Section 9. HOLDING OF 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 Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the sole benefit, use and account of all the Owners in the percentages set forth from time to time in Exhibit D to the Declaration.

Section 10. CAPITAL CONTRIBUTIONS. Upon the closing of the first sale of each Townhome Unit by Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to three months' assessments attributable to the Townhome Unit.

ARTICLE V

Contracts, Checks, Deposits and Funds

Section 1. CONTRACTS. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or

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execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner, as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the treasurer and countersigned by the president of the Association.

Section 3. DEPOSITS. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

Section 4. GIFTS. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

Section 5. INTERESTED DIRECTORS. No contract or other transaction between the Association and one or more of its directors or with a corporation or partnership in which such director has a financial interest equal to or greater than twenty-five percent (25%) is void or voidable because such director or directors are present at the meeting of the Board, or the meeting of a committee thereof, which authorizes or approves the contract or transaction, or because his or her or their votes are counted, unless the circumstances specified in any of the following subsections exist:

- (a) the fact of the common directorship or financial interest is not disclosed or known to the Board or committee and noted in the minutes, and the Board or committee does not authorize, approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors;
- (b) the contract or transaction is not just and reasonable as to the Association at the time it is authorized or approved; or
- (c) twenty percent (20%) of the Owners file a petition for an election to approve or disapprove the contract or other transaction within twenty (20) days after notice is given to the Owners of the contemplated contract or transaction, such notice to be given no later than twenty (20) days after the Board makes the decision to enter into the contract or other transaction and such election to be held no later than thirty (30) days after filing the petition, and the Owners disapprove of such contract or other transaction at that time.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VI

Books and Records

The Association shall keep and maintain the following records:

- (A) Copies of the recorded Declaration, other duly recorded covenants and By-Laws, and any amendment, articles of incorporation of the Association, annual reports, and any rules and regulations adopted by the Association or its Board.

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(B) Detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Association.

(C) Minutes of all meetings of the Association and the Board for the previous seven (7) years.

(D) Ballots and proxies related thereto, if any, for any election held for the Board and for any other matter voted on by the Owners during the previous one (1) year.

(E) Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986.

(F) With respect to Townhome Units owned by a land trust, if a trustee designates in writing a person to cast votes on behalf of the Owner, the designation shall remain in effect until a subsequent document is filed with the Association.

All books and records of the Association may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time no more than thirty (30) days after receipt of such member's written request to inspect. The Association may charge a reasonable fee for the cost of copying. Unless otherwise directed by court order or required by applicable law, the Association need not make the following documents available for inspection, examination or copying: (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 the Board in a court or administrative tribunal; (3) documents relating to actions threatened against, or likely to be asserted on behalf of, the Association or the Board in a court or administrative tribunal; (4) documents relating to common expenses or other charges owed by a member other than the requesting member; and (5) documents provided to the Association in connection with the lease, sale or other transfer of a Townhome Unit by a member other than the requesting member.

ARTICLE VII

Use and Occupancy Restrictions

Section 1. GENERAL. Each Owner shall fully comply with the use and occupancy restrictions set forth in the Declaration including, without limitation, those contained in Article IX, and any rules and regulations promulgated by the Board, all of which are incorporated herein by reference. The provisions of this Section shall apply to any lessee of a Townhome Unit.

Section 2. RULES AND REGULATIONS. The Board shall have the power and authority to adopt, revise, amend, and rescind from time to time such rules and regulations as the Board, in its discretion, deems reasonable to promote the common enjoyment, safety, administration, and efficient operation of the Property and to adopt penalties, fines, late charges and other remedies, to the extent permitted by law, for the enforcement of the provisions of the Declaration and the rules and regulations adopted by the Board.

Section 3. EXTERIOR ATTACHMENTS. Townhome Owners shall not cause or permit anything to be placed on the outside walls of the Townhomes, and no sign, awning, canopy, shutter or radio or television antenna or satellite dish shall be affixed to or placed upon any exterior walls or roof, or any part thereof, without the prior consent of the Board. provided decorative plantings can be attached to portions of the Units that face the rear yards.

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Section 4. AVOIDANCE OF DUTIES. A Owner may not assign, delegate, transfer, surrender, or avoid the duties, responsibilities, and liabilities of a Owner under the Declaration, these By-Laws, or the rules and regulations of the Association; any such attempted assignment, delegation, transfer, surrender, or avoidance shall be deemed void.

ARTICLE VIII

Amendments

Until the date of the First Meeting, these By-Laws may be altered, amended or repealed and new By-Laws may be adopted, by the affirmative vote of a majority of the directors in office. From and after the date of the First Meeting, these By-Laws, except this Article VIII and Article X, may be altered, amended or repealed and new By-Laws may be adopted from time to time by action or approval of two-thirds (2/3) of all of the members at a regular meeting or special meeting, except as otherwise indicated in and with respect to any other provision of these By-Laws. Such amendments shall be recorded in the Office of the Recorder of Deeds of Cook County, Illinois.

ARTICLE IX

Indemnification

Section 1. GENERAL. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that he or she is or was a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees and expenses), judgments, fines, and amounts paid in settlement actually and reasonably incurred by or imposed on him or her in connection with such action, suit or proceeding, provided said person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not in good faith and in a manner which he or she reasonably believed to be in or not opposed the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees and expenses) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit provided said person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association.

Section 2. SUCCESS ON MERITS. To the extent that a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees and expenses) actually and reasonably incurred by him or her in connection therewith.

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Section 3. DETERMINATION OF RIGHT TO INDEMNITY. Any indemnification under Sections 1 and 2 shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board of Directors, the officer or the member of such committee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 or 2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of those directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the Owners.

Section 4. ADVANCE PAYMENT. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the member of the Board of Directors, the officer or the member of such committee to be indemnified to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article IX.

Section 5. NON-EXCLUSIVITY. The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. The indemnification provided by this Article IX shall continue as to a person who has ceased to be a member of the Board of Directors, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE X

Construction

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

All words and terms used herein which are also used in the Declaration shall have the same definition as set forth in the Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for The Townhomes at Park Place Homes, which Declaration is recorded in the Office of the Cook County Recorder of Deeds, Cook County, Illinois. The term "member" as used in these By-Laws, means "Owner," as defined in said Declaration.

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EXHIBIT D
LEGAL DESCRIPTION OF THE ADD-ON PARCEL

LOTS 36, 55, 57, 59, 60, 61, 62, 66 and 67 IN PARK PLACE UNIT 1
BEING A SUBDIVISION OF PART OF THE SOUTH $\frac{1}{2}$ OF THE EAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF
SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN
COOK COUNTY, ILLINOIS

Property of Cook County Clerk's Office