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AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP FOR KEDZIE TOWNHOMES, A CONDOMINIUM CHICAGO, ILLINOIS

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TABLE OF CONTENTS

Declaration of Condominium for Kedzie Townhomes, a Condominium

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
1.	<u>Definitions</u>	2
2.	<u>Submission of Property to the Act and the Designation of the Name of the Condominium</u>	6
3.	<u>Plat</u>	6
4.	<u>Units</u>	6
5.	<u>Ownership of the Common Elements</u>	7
6.	<u>Use of the Common Elements and Limited Common Elements</u>	7
	(a) <u>Use of Common Elements</u>	7
	(ii) <u>Parking Area</u>	8
	(b) <u>Limited Common Elements</u>	8
	(i) <u>Use of Limited Common Elements</u>	8
21.	<u>Transfer of a Unit</u>	8
	(c) <u>Miscellaneous</u>	10
7.	<u>Use and Occupancy Restrictions</u>	10
(a)	<u>Use of Unit and Property</u>	10
(b)	<u>Use of Common Elements</u>	11
8.	<u>Easements Affecting the Property</u>	11
	(a) <u>Easement for Encroachment</u>	11
	(b) <u>Easement for Utilities</u>	11
	(d) <u>Granting of Easement For Television Cable</u>	12
9.	<u>Easements Run with the Land</u>	12
10.	<u>Association of Unit Owners and Administration and Operation of the Property</u>	12
(a)	<u>Association</u>	12
	(b) <u>Management of Property</u>	13
	(c) <u>Provision of Utility and Other Services to Property</u>	13
	(e) <u>Non-Liability of the Directors, Board, Officers, and Declarant</u>	13
	(f) <u>Purchase or Lease of a Unit</u>	13
11.	<u>Board's Determination Binding</u>	14
12(a)	<u>Common Expenses</u>	14
	(b) <u>Non-Use of Common Elements/Late Fee</u>	15
	(c) <u>Lien</u>	15
13.	<u>Mortgages and Other Liens</u>	15
	(a) <u>Mortgages</u>	15
	(b) <u>Other Liens</u>	15
14.	<u>Rights of Mortgagees</u>	16
	(a) <u>Approval Rights</u>	16

UNOFFICIAL COPY

	(b)	<u>Notices and Information</u>	16
	(c)	<u>Casualty and Eminent Domain</u>	17
	(d)	<u>Non-Exclusive</u>	17
15.		<u>Separate Real Estate Taxes</u>	17
16.		<u>Insurance</u>	18
	(a)	<u>Property Insurance</u>	18
	(b)	<u>Public Liability Insurance</u>	18
	(c)	<u>Directors and Officers Insurance</u>	19
	(d)	<u>Other Insurance</u>	19
	(f)	<u>Insurance Trustee</u>	21
	(h)	<u>Fidelity Insurance</u>	21
17.		<u>Casualty and Eminent Domain</u>	22
	(a)	<u>Insurance - Sufficient to Reconstruct Property</u>	22
	(b)	<u>Insurance - Insufficient to Reconstruct Property</u>	22
	(c)	<u>Insufficient Insurance - Withdrawal from Act</u>	22
	(d)	<u>Insufficient Insurance - Application of Act</u>	23
	(e)	<u>Eminent Domain</u>	23
	(f)	<u>Rights of Mortgagees</u>	24
	(g)	<u>Board as Agent of Owner</u>	24
18.		<u>Maintenance, Repairs and Replacements</u>	24
	(a)	<u>General</u>	24
	(b)	<u>Neglect of Owners, Etc.</u>	25
19.		<u>Alterations, Additions or Improvements</u>	25
	(a)	<u>Common Elements</u>	25
	(b)	<u>Unit</u>	25
	(d)	<u>Partition of Common Elements</u>	25
20.		<u>Decorating</u>	25
22.		<u>Remedies</u>	26
	(a)	<u>General</u>	26
	(b)	<u>Self Help; Injunction; Eviction</u>	27
	(d)	<u>Remedies Cumulative</u>	27
23.		<u>Amendment</u>	28
	(a)	<u>Amendment Procedure</u>	28
	(c)	<u>Casualty or Eminent Domain</u>	28
	(d)	<u>Consent of Third Parties</u>	29
	(e)	<u>Limited Common Element Designation</u>	29
	(f)	<u>Recording of Amendment</u>	29
24.		<u>Notices</u>	29
25.		<u>Headings</u>	30
26.		<u>Number and Gender</u>	30
27.		<u>Severability</u>	30
28.		<u>Perpetuities and Restraints on Alienation</u>	30
29.		<u>Rights and Obligations</u>	30

UNOFFICIAL COPY

30. Land Trustee as Unit Owner	31
EXHIBIT A-1 Legal Description/Plat of Survey	34
EXHIBIT B Percentage of Ownership Interest in the Common Elements of Archer-Ashland Condominiums:	35
EXHIBIT C BY-LAWS OF ARCHER-ASHLAND CONDOMINIUMS ARTICLE I	
Members (Unit Owners)	1
Section 1. Eligibility	1
Section 2. Succession	1
3. Regular Meetings	1
Section 3(a) Annual Meeting/Purpose	1
3(b) First Regular Meeting	1
3(c) Subsequent Regular Meeting	2
3(d) Location of Regular Meetings	2
Section 4. Special Meetings	2
Section 5. Delivery of Notice of Meetings	2
Section 6. Quorum	2
Section 7. Voting	3
7(a) Total Votes	3
7(b) Multiple Owners	3
7(c) Voting By Declarant	3
7(d) Voting Rights of Trusts and Partnerships	3
7(e) Proxies	4
7(f) Matters Requiring Approval of Two-Thirds of Total Ownership	4
Section 8. Rules of the Meeting	4
ARTICLE II Board of Directors	
Section 1. Number, Election and Term of Office	4
Section 2. Qualification	5
Section 3. Vacancies	5
Section 4. Removal	6
Section 5. Compensation	6
Section 6. Meetings	6
6(a) Regular Meetings	6
6(b) Special Meetings	6
6(c) Notice of Board Meetings	6
6(d) Open Meetings	6
Section 7. Quorum	7
Section 8. Powers and Duties	7
Section 9. Non-Delegation	10
ARTICLE III Officers	
Section 1. Designation	11
1(a) President	11
1(b) Secretary	11
1(c) Treasurer	11
Section 2. Term of Office	11
Section 3. Vacancies	11

UNOFFICIAL COPY

Section 4. Compensation	11
Section 5. Powers	11
ARTICLE IV Assessments	
Section 1. Annual Budget	12
Section 2. Assessments	13
Section 3. Partial Year or Month	13
Section 4. Annual Report	13
Section 5. Supplemental Assessments	14
5(a) Procedure	14
5(b) Notice of Meeting	14
5(c) Separate Assessment	14
5(d) Emergency Assessment	14
5(e) Additions or Alterations	14
5(f) Multi-Year Assessment	14
Section 6. Holding of Funds	14
Section 7. Expenditures	15
Section 8. Common Expense Obligation	15
8(a) Duty to Pay Common Expense	15
8(b) 15	
Lien 15	
8(c) Foreclosure of Association Lien/Eviction	16
8(d) Procedure to Foreclose Association Lien	16
Section 9. Discharge of Liens	16
Section 10. Statement of Account	17
Section 2. General	17
Section 3. Animals	18
Section 4. Trash and Recycling	18
Section 5. Storage	18
Section 6. Leases	18
Section 8. Non-Delegation	19
Section 9. Disclaimer of Bailee Liability	19
ARTICLE VI Contractual Powers/Conflict of Interest	19
ARTICLE VII Amendments	20
ARTICLE VIII Indemnification	
Section 1. General	20
Section 2. Success on Merits	20
Section 3. Advance Payment	21
Section 4. Miscellaneous	21

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Exhibits

- | | |
|-----------|--|
| Exhibit A | Legal Description |
| Exhibit B | Plat of Survey |
| Exhibit C | Percentage of Ownership in Common Elements |
| Exhibit D | By-Laws of Kedzie Townhomes, A Condominium |

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AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP

for

1756 NORTH KEDZIE AVENUE CONDOMINIUM

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP supercedes and replaces the Original Declaration of Condominium Ownership recorded December 29, 2005 as Document Number 0536319064 in the Recorder's Office of Cook County, Illinois.

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP declares condominium units and appurtenant common element percentages for the real estate legally described as follows:

Parcel 1: Lots 1 and 2 in Subdivision of that part South of the Railroad Right of Way of Lot 1 and all of Lots 2, 3, 5, 6, 7 and 8 of Block 13 of E. Simon's Subdivision of the South East ¼ of Section 35, Township 40 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois, and

Parcel 2: "All that portion of the South 28.0 feet of the North 50.0 feet of the South ½ of the Southeast ¼ of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian which is not at present dedicated as a Public Street" lying between the Northerly extensions of the West and East lines of Lot 1 in Block 13 in E. Simon's Subdivision of the South East ¼ of Section 35, Township 40 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois

The above describe real estate is commonly known as 1756 North Kedzie Avenue, Chicago, Illinois 60093.

The PINs for the 7 units in this Condominium are shown on Exhibit A.

This instrument was prepared by and after recording should be mailed to:
Jay S. Readey, Esq.
SONNENSCHN NATH & ROSENTHAL LLP
7800 Sears Tower
233 S. Wacker Drive
Chicago, IL 60606-6404

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DECLARATION OF CONDOMINIUM OWNERSHIP FOR KEDZIE TOWNHOMES, A CONDOMINIUM CHICAGO, ILLINOIS

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP is made and executed by Kedzie Townhomes Association pursuant to the authority granted by the Association Bylaws, the Condominium Declaration of record, Illinois law, and the approval of the Board of Directors and Unit Owners of 1756 North Kedzie Avenue Condominium.

RECITALS:

WHEREAS, the original Declaration was recorded December 29, 2005 as Document Number 0536319064 with the Recorder's Office of Cook County, Illinois ("Recorder") in accordance with the provisions of the Condominium Property Act of the State of Illinois ("Original Declaration");

WHEREAS, the Unit Owners of the Association have heretofore agreed by the required vote to amend and restate the Original Declaration;

NOW THEREFORE, the Original Declaration is amended and restated as follows:

1. **Definitions.** As used herein, unless the context otherwise requires:
 - (a) "Act" means the Condominium Property Act of the State of Illinois, as amended.
 - (b) "Affordability Restrictions" means the restrictions set forth in Paragraph 7(a) of this Declaration.
 - (c) "Area Median Income" or "AMI" means the median household income for Chicago Primary Metropolitan Statistical Area as calculated and adjusted for household size from time to time by HUD.
 - (d) "Association" means the Kedzie Townhomes Condominium Association.
 - (e) "Board" means the Board of Directors of the Association.

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(f) "Building" means all structures, attached or unattached, containing one or more units, commonly known as 1752-56 North Kedzie Boulevard, Chicago, Illinois.

(g) "By-Laws" means the by-laws of the Association, attached hereto as Exhibit C and made a part hereof, as amended from time to time.

(h) "CCLT" means the Chicago Community Land Trust, an Illinois not-for-profit corporation, its successors and assigns.

(i) "City" means the City of Chicago, County of Cook, Illinois, a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, its successors and assigns.

(j) "Closing" means the date on which title to a Unit is conveyed by the Declarant to a Purchaser.

(k) "Commissioner" means the Commissioner of Housing.

(k) "Common Elements" means all portions of the Property except the Units. The Common Elements include, without limitation, the land; the foundations; the roofs; the driveway; the Garage; the Parking Area; the exterior walls and party walls that are designated as the boundaries of any Unit, but not including the inside finished surfaces of such walls; window frames and door frames; pipes, chutes, flues, ducts, conduits, or wires serving more than one Unit, any applicable utility lines, and all other portions of the Property except the individual Units.

(l) "Common Expenses" means the proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board. Such Common Expenses shall consist of the expenses of the administration, operation, maintenance and improvement of the Common Elements and any other expenses incurred in conformance with the Act, the Condominium Instruments (as hereinafter defined), and such other written agreements as may be entered into by the Board from time to time, including, but not limited to, the maintenance and repair of the Common Elements and any and all replacements and additions thereto. Such Common Expenses shall not include the expenses of the administration, operation, maintenance and improvement of any Limited Common Elements.

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(m) "Condominium Instruments" means this Declaration, the By-Laws, the Plat, and such other documents and authorized amendments thereto recorded pursuant to the provisions of the Act.

(o) "Developer" means Hispanic Housing Development Corporation, an Illinois not-for-profit corporation, and any successors or assigns thereof.

(p) "First Mortgage" means a recorded mortgage which is senior to any other mortgages or liens against the Unit (other than the lien for real estate taxes and Association assessments, if any), and which is used to secure a loan from an institutional lender to purchase a Unit.

(r) "HUD" means the United States Department of Housing and Urban Development, or its successor.

(s) "IHDA" means the Illinois Housing Development Authority, or its successor.

(t) "IHDA Loan" means a loan from IHDA to an Owner in the amount of \$40,000.

(w) "Limited Common Elements" means all Common Elements serving exclusively one or more Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to such Unit or Units to the exclusion of other Units either in this Declaration or on the Plat. Said Limited Common Elements shall include, but shall not be limited to: doors to Units; windows; all associated fixtures and structures therein as lie outside the Unit boundaries and serve exclusively one or more but less than all Units; and any apparatus outside of the Unit boundaries serving exclusively one or more but less than all Units.

(x) "Majority" or "majority of the Unit Owners" means the owners of more than fifty percent (50%) in the aggregate, of the undivided ownership interest in the Common Elements. Any specified percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements.

(z) "NHFC" means the New Homes for Chicago Condominium Rehabilitation Program established by the City Council of the City, by ordinance adopted on September 1, 1999, to subsidize the rehabilitation of existing buildings for the sale of condominium units to low-income and very low-income households at affordable prices.

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(aa) "NHFC Subsidy" means a development subsidy per Unit in the amount of \$10,000 and a purchase price subsidy per Unit in the amount of \$30,000.

(bb) "Parcel" means the tracts of real estate, legally described in Exhibit A to this Declaration, submitted to the provisions of the Act.

(cc) "Parking Area" and "Garage" mean those portions of the Property containing the Parking Spaces as shown on the Plat.

(dd) "Parking Space" means a Parking Space located in the Parking Area or Garage and intended for use for parking of a vehicle.

(ee) "Person" means a natural individual, corporation, partnership, limited liability entity, or other legal entity capable of holding title to real property.

(ff) "Plat" means the plat or plats of survey of the Parcels and of all Units in the Property submitted to the provisions of the Act, said plat or plats of survey being attached as Exhibit B to this Declaration and made a part hereof as such plat or plats may be amended from time to time.

(gg) "Primary Residence" means the residence a person occupies for a minimum of nine (9) full months out of any consecutive twelve (12) month period.

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

(jj) "Purchaser" means any Person or Persons other than the Developer who purchases a Unit from the Developer or in any other bona fide transaction for value.

(kk) "Record" means to record in the office of the Recorder of Deeds in Cook County, Illinois.

(ll) "Unit" means a part of the Property designed and intended for independent use. Each Unit shall consist of the space enclosed and bounded by

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the horizontal and vertical planes as shown on the Plat together with the fixtures and improvements within such space. To the extent that perimeter and partition walls or roofs are designated as the boundaries of any Unit, all decorating, wall and floor coverings, paneling, molding, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the interior finished surfaces thereof, shall be deemed part of such Unit. All other portions of such walls, or roofs shall be deemed part of the Limited Common Elements. If any pipes, chutes, flues, ducts, conduits, wires, party walls, or any other apparatus lies partially within and partially outside of the designated boundaries of a Unit, any portions thereof within the boundaries of that Unit shall be deemed a part of that Unit, and any portions outside the boundaries of that Unit shall be deemed a part of the Common Elements or Limited Common Elements.

(mm) "Unit Owner" or "Owner" means the person or persons whose estate or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto. Unless specifically provided otherwise herein, the Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

(nn) "Unit Owner Restrictive Covenant and Agreement" means such agreement between a Unit Owner and the City of Chicago or the CCLT imposing affordability restrictions and conditions on the purchase, sale or transfer of the Unit.

2. Submission of Property to the Act and the Designation of the Name of the Condominium. The Property is hereby submitted to the Act. The Property shall be named and may be commonly referred to as the "Kedzie Townhomes, a Condominium."

3. Plat. The Plat sets forth the measurements, elevations, locations and other data, as required by the Act, with respect to (1) the Property; (2) the Building and all improvements and structures located on or comprising the Property; and (3) each Unit.

4. Units. The legal description of each Unit shall consist of the distinguishing number or other symbol for such Unit as shown on the Plat. Every deed, lease, mortgage or other conveyance instrument with respect to a Unit shall legally describe a Unit by its identifying number or symbol as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act or as provided in this Declaration, no Unit Owner shall by deed, plat, court decree or otherwise, subdivide or in any other manner cause his/her Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat. No Unit Owner shall execute any deed, mortgage, lease, or other instrument

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affecting title to his Unit Ownership without including therein both his interest in the Unit and his corresponding percentage of ownership in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease, or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

5. Ownership of the Common Elements. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit C attached hereto and made a part hereof as though fully set forth herein. The percentages of ownership interests set forth in Exhibit B have been computed and determined in accordance with the Act, and shall remain constant unless hereafter changed by amendment to this Declaration, and such amendment is recorded in accordance with the Act. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. Except as provided in the Act and this Declaration, the ownership interest in the Common Elements shall remain undivided, and no Unit Owner shall bring any action for partition or division of the Common Elements, and any agreement or covenant to the contrary shall be void. The ownership of each Unit shall not be conveyed, transferred, encumbered or otherwise affected separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed, transferred, encumbered or otherwise affected with that Unit, even though the legal description in the instrument conveying, transferring, encumbering or otherwise affecting said Unit may refer only to the fee title to that Unit and not expressly mention or describe the percentage of ownership in the Common Elements corresponding to that Unit, or may refer to an incorrect percentage for that Unit.

6. Use of the Common Elements and Limited Common Elements.

(a) Use of Common Elements.

(i) In General. Each Unit Owner shall have the right to use the Common Elements (except portions of the Property subject to licenses, leases, and easements made by or assigned to the Board or made by the Developer, as provided in the Condominium Instruments) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend not only to each Unit Owner, but also to his/her agents, servants, invitees and licensees.

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(ii) **Garage and Parking Area.** The Parking Spaces located in the Garage or the Parking Area are a part of the Common Elements, and each Unit shall have the right to park one (1) passenger motor vehicle owned by the Unit owner. After the First Meeting (as defined in the By-laws), the Board shall have the right to assign Parking Spaces, establish priorities and waiting lists for assignments, and to allocate Parking Spaces by lease, license or otherwise. No Unit Owner shall have the permanent right to use any specific Parking Space nor shall any specific Parking Space become appurtenant to or be deemed a Limited Common Element to any specific Unit. If the Board decides to charge a fee for parking, such rates must be approved by at least 2/3 of the Unit Owners present and voting at a meeting. The Parking Spaces shall be used in such manner and subject to such rules and regulations as the Board may from time to time adopt.

(b) **Use of Limited Common Elements.**

The Limited Common Elements serving exclusively a single Unit or one or more adjoining Units are hereby assigned to such Unit or Units, and the use and possession of such Limited Common Elements are reserved to the lawful occupants of such Unit or Units; provided, however, that all Unit Owners and occupants and their licensees and invitees shall be allowed to utilize such reasonable area of said Limited Common Elements solely for purposes of ingress to or egress from their respective Units. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, the Condominium Instruments, and the rules and regulations of the Association. In addition, the Association shall have the authority to grant licenses or easements with respect to parts of the Common Elements (including but not limited to the roof of the Building for use as roof top decks) and to charge a fee for such licenses or easements, subject to the provisions of the Condominium Instruments, such rules and regulations as the Board may from time to time adopt, and such other reasonable conditions that may be imposed by the Board.

7. Transfer of a Unit.

(a) **Affordability Restrictions.** It is the intention of the Developer and the City to provide for long-term affordability of the Units in the Association. In furtherance of that objective, the City either directly or through the CCLT has entered into Unit Owner Restrictive Covenants and Agreements with the Unit Owners. As long as a Unit Owner Restrictive Covenant and Agreement is in effect for a Unit:

(i) The Unit must be transferred in accordance with the Unit Owner Restrictive Covenant and Agreement that is in effect for that Unit.

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(ii) For a period of 30 years commencing with the Recordation of the Declaration (or such lesser period terminating on the date on which the Illinois Housing Development Authority no longer has any security interest in the Property or any part thereof), any sale, disposition or other transfer of a Unit shall be subject to the prior written consent of the Illinois Housing Development Authority.

(iii) A Unit Owner may not refinance, encumber (voluntarily or otherwise) or mortgage the Unit (with the exception of a First Mortgage), without the prior written consent of the City or the CCLT and IHDA (until the IHDA loan is repaid) and any refinancing must be in accordance with the Unit Owner Restrictive Covenant and Agreement,

(iv) A Unit Owner may not lease his or her Unit without the prior written consent of the City or the CCLT in accordance with the Unit Owner Restrictive Covenant and Agreement;

(v) A Unit Owner must occupy his or her Unit as his or her Primary Residence unless the City or the CCLT waives this condition, in writing, for good cause in accordance with the Unit Owner Restrictive Covenant and Agreement;

(vi) A unit owner must comply with any and all additional affordability restrictions in the Unit Owner Restrictive Covenant and Agreement that is in effect for the unit.

(b) City Approval. The City or the CCLT shall have the right to enforce the Affordability Restrictions by appropriate administrative or judicial proceedings. No amendment to the Condominium Instruments nor any rule or regulation shall be adopted with respect to, affecting or in any way modifying the provisions of this Paragraph 7, or any of them, without the prior written consent of the City and the CCLT. Any proposed amendment or rule or regulation shall be subject to the approval of the Commissioner and the CCLT. The provisions of this Paragraph 7 shall automatically expire, terminate and be of no effect, and the approval and consent of the City, the Commissioner or the CCLT shall no longer be required as to any amendment or rule or regulation affecting, modifying or eliminating the provisions of this Paragraph 7, at such time as no Unit is subject to a Unit Owner Restrictive Covenant and Agreement.

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(c) Miscellaneous. (i) Any transfer of a Unit not in compliance with the terms of the Unit Owner Restrictive Covenant and Agreement shall be void and of no effect. Further, if any transfer or lease of a Unit is made or attempted without complying with the provisions of the Unit Owner Restrictive Covenant Agreement, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to, the Association hereunder and otherwise.

(ii) A transfer of a Unit, or interest therein, by or to the Board, the Developer or the holder of any mortgage on a Unit which comes into possession of the mortgaged Unit pursuant to the remedies provided in such mortgage, or pursuant to foreclosure of such mortgage, or pursuant to a deed (or assignment) in lieu of foreclosure of such mortgage, shall not be subject to the provisions of this Paragraph 7, but any subsequent sale or transfer of that Unit shall be subject hereto.

(iii) All notices referred to or required under this Paragraph 7 shall be given in the manner provided in this Declaration for the giving of notices and as required by any Unit Owner Restrictive Covenant and Agreement.

(iv) The provisions of this Paragraph 7 applicable to holders of mortgages shall not be amended or modified without the express and prior written consent of all holders of First Mortgage liens on Units.

(v) The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Paragraph 7, for the purpose of implementing and effectuating said provisions.

(vi) The provisions of this Paragraph 7 shall be deemed to be supplemental to and are to be applied consistent with a Unit Owner Restrictive Covenant Agreement.

8. Use and Occupancy Restrictions.

(a) **Use of Unit and Property.** Subject to the rules and regulations of the Association, no part of the Property shall be used for other than housing and the related common purposes for which the Property was designed, and each Unit shall be used as a residence for a single family and such incidental business uses permitted by law. No Unit or other portion of the Property may be used for any purpose which is unlawful or which fails to comply with rules and regulations which the Board may enact from time to time or which constitutes a nuisance or disrupts the reasonable use and enjoyment of the Property by other Unit Owners. Any incidental business use of a Unit, permitted by this Section, must be in compliance with all applicable statutes, ordinances and

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governmental regulations, must not have any adverse impact on the Association (including but not limited to noise, odor, pedestrian or vehicular traffic and insurance concerns) and must be conducted in accordance with the Declaration, By-Laws, and rules and regulations of the Association.

(b) **Use of Common Elements.** The Common Elements shall be used only by the Unit Owners and their agents, servants, invitees and licensees and shall be used only for access and ingress to and egress from the respective Units and for such other purposes incidental to use of the Units. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner (including said Owner's agent, servant, invitee or licensee), and shall be subject to any easement or other agreement presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

9. **Easements Affecting the Property.** Without hereby limiting the Board's authority to grant easements from time to time with respect to the Common Elements, as set forth elsewhere in this Declaration, each Unit Owner shall take title to his Unit subject to, and the rights of the Unit Owners to use the Common Elements shall be subject to, the following easement provisions, in addition to any easements described elsewhere in this Declaration, including, without limitation, the easements described in Paragraphs 9 and 10 hereof:

(a) **Easement for Encroachment.** In the event that by reason of the construction, reconstruction, repair, settlement, shifting or other movement of the Building, any portion of the Building or Common Elements encroaches or shall hereafter encroach upon any Unit, or if any portion of the Building or any Unit encroaches or shall hereafter encroach upon any portion of the Common Elements or any other Unit, or if any portion of any Unit or the Common Elements encroaches upon any other portion of the Building, there are hereby granted and reserved mutual easements in favor of the owners of the Common Elements, the respective Unit Owners and the Unit Owners of the respective portion of the Building involved, to the extent of such encroachment, so long as the same shall exist as long as the physical boundaries of the Units after the construction, reconstruction, repair, settlement, shifting or other movement of the Building will be in substantial accord with the description of those boundaries that appear in the Declaration; provided, however, that no such easement shall arise if the encroachment materially interferes with the structural integrity or the use and enjoyment of any of the Common Elements, the Buildings or any encroached-upon Unit, and provided further that no such easement shall arise in favor of any Person who creates an encroachment by his/her intentional or negligent conduct, or that of his/her agent.

(b) **Easement for Utilities.** All suppliers of utilities serving the Property, including, without limitation, Commonwealth Edison, Ameritech, People's Energy and a

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cable television supplier, are hereby granted and reserved easements to furnish, install, lay, construct, operate, maintain, renew, repair, replace and remove conduits, ducts, cables, pipes and wires and other equipment or structural components in, to, over, under, across and through any portion of the Common Elements or any portion of the walls of a Unit (whether or not such walls lie in whole or in part within the Unit boundaries) for the purpose of providing the Units with utility services, together with the reasonable rights of access and ingress to and egress from the Property, or any part thereof, for said purpose. This Paragraph 9(b) and Paragraph 9(d) below (to the extent said Paragraph 9(b) and Paragraph 9(d) are applicable to easements and rights granted to and reserved under this Paragraph 9(b) for a particular supplier of utilities) shall not be amended, modified or rescinded without the prior written consent of said supplier at the time of such amendment, modification or rescission.

(c) **[Intentionally Omitted]**

(d) **Granting of Easement For Cable Television.** A majority of the Unit Owners at a meeting of Unit Owners duly called for such purpose may authorize the granting of an easement for the laying of television cable. The grant of such easement shall be according to the terms and conditions of the City of Chicago ordinance providing for cable television.

10. **Easements Run with the Land.** All easements and rights described in this Declaration and the Condominium Instruments are easements appurtenant to and running with the land, and, in each case, shall remain in full force and effect and shall inure to the benefit of and be binding on the respective successors and assigns of each person or entity in favor of which such easement is granted and reserved, and any owner, purchaser, mortgagee and other person having an interest in any part or all of the Property which is subject to or benefited by such easement. Each deed of conveyance, or any mortgage or trust deed or other evidence of obligation, shall be deemed to incorporate the easements and rights described in this Declaration as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

11. **Association of Unit Owners and Administration and Operation of the Property.**

(a) **Association.** There has been or will be formed, an Association having the name "Kedzie Townhomes Condominium Association," an Illinois not for profit corporation (the "Association"), which Association shall be the governing body for all of the Unit Owners, for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Declaration and the By-Laws. The Association shall have and exercise all powers necessary or convenient to effect any or

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all of the purposes for which the Association is organized, and to do every other act not inconsistent with law that may be appropriate to promote and attain the purposes set forth in the Act and the Condominium Instruments. The By-Laws for the Association shall be the By-Laws attached to this Declaration as **Exhibit D** and made a part hereof, as the same may be amended from time to time. The Board of Directors (the "Board") of the Association shall constitute the Board of Directors provided for in the Act and shall be elected and shall serve in accordance with the provisions of the By-Laws and of the Act. The Board shall have standing to act in a representative capacity in relation to matters involving the Common Elements or more than one Unit, on behalf of the Unit Owners, as their interests may appear. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind.

(b) **Management of Property.** The Board shall have the authority to engage the services of a manager or managing agent (hereinafter sometimes referred to as the "Managing Agent"), which shall include (but not be limited to) a Master Association as described and contemplated in Paragraph 31 thereof, to maintain, repair, replace, administer and operate the Property, or any part thereof.

(c) **Provision of Utility and Other Services to Property.** The Board shall have the authority to enter into an agreement or arrangement for the provisions of utility and such other services to the Property as may from time to time become necessary or desirable. The cost of such services shall be a Common Expense, as defined in Paragraph 13 below.

(d) **[Intentionally Omitted]**

(e) **Non-Liability of the Directors, Board, and Officers.** No member of the Board shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Board members, except for any acts or omissions found by a court to constitute gross negligence, willful misconduct, or actual fraud. The Unit Owners shall indemnify and hold harmless each of the Board members and their respective devisees, legatees, heirs, executors, administrators, legal representatives, successors and assigns in accordance with the provisions of the By-Laws.

(f) **Purchase or Lease of a Unit.** Upon expiration of the Affordability Restrictions set forth in Paragraph 7 hereof, the Board shall have authority to purchase or lease a Unit or any interest therein, for and on behalf of the Association, for such purpose and upon such terms as the Board may approve, upon the consent or approval of Unit Owners owning not less than Sixty-Six and Two-Thirds Percent (66 2/3 %) of the

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total ownership of the Common Elements, which consent or approval shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for the purchase of such Unit or interest therein; provided, however that such consent or approval shall not be required for the Board to bid and purchase, for and on behalf of the Association any Unit, or interest therein, at a sale pursuant to a foreclosure of a lien for Common Expenses under the Act (or pursuant to an order or direction of a court or any other involuntary sale relating to such a lien) so long as the amount of such bid and the amount paid for such Unit, or interest therein, does not exceed the amount of such lien (such a Unit, or interest therein, purchased by the Board being hereinafter referred to as a "Lien Unit"). The purchase price (including mortgage principal and interest payments) or rental paid by the Association in connection with any such purchase or lease, together with any and all other costs and expenses arising therefrom incurred by the Association or the Board, including, but not limited to, utility costs, assessment expenses, attorney's fees, and real estate taxes, shall be part of the Common Expenses. The Association shall hold title to or lease any such Unit or interest therein, pursuant to the terms of this Declaration, in the name of the Association, or a nominee thereof designated by the Board, for the sole benefit of all Unit Owners. The Board shall have the authority at any time to sell, lease or sublease such Unit or interest therein, on behalf of the Association, upon such terms as the Board shall deem desirable. However, the sale of said Unit or other real estate, or interest therein, shall require the consent or approval of Unit Owners owning not less than Sixty-Six and Two-Thirds Percent (66 2/3%) of the total ownership of the Common Elements; provided, however, that such consent or approval shall not be required for the Board to sell any Lien Unit for a cash sale price at least equal to the amount which the Board paid for such Lien Unit and related costs and expenses.

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

13(a) Common Expenses. Each Unit Owner shall pay its proportionate share of the Common Expenses. The proportionate share shall be in the same ratio as the Unit Owner's percentage of ownership in the Common Elements set forth in **Exhibit C**. Except as hereinafter provided, payment of Common Expenses shall be in such amounts and at such times as determined in the manner provided in the By-Laws. A late fee in an amount established by the Board shall be payable to the Association in the event a Unit Owner fails to make any payment of Common Expenses when due.

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(b) **Non-Use of Common Elements.** No Unit Owner shall be exempt from payment of his proportionate share of the Common Expenses by waiver or non-use or non-enjoyment of the Common Elements or by abandonment of his/her Unit.

(c) **Lien.** If any Unit Owner shall fail or refuse to make any payment of such Unit Owner's proportionate share of the Common Expenses or any unpaid fine when due, the amount thereof, together with interest thereon at the highest lawful rate from and after the date said Common Expenses become due and payable, plus late charges, reasonable attorneys' fees incurred enforcing the covenants of the Declaration, By-Laws, rules and regulations of the Board or any applicable statute or ordinance, and costs of collection shall constitute a lien on the interest of such Unit Owner in the Property, as provided in the Act; provided, however, that such lien shall be subordinate to the lien of any mortgage or trust deed on the Property or any portion thereof, or on any interest of such Unit Owner, which mortgage or trust deed is recorded prior to the date such lien for unpaid Common Expenses attaches and is owned or held by any mortgagee of the Property (or any part thereof) or of any interest of such Unit Owner, or any successor or assign of such a mortgagee, or any bank, insurance company, mortgage banker, savings and loan association, or other financial institution, institutional investor or institutional lender (any such aforescribed owner or holder, or any such successor or assign thereof, being hereinafter referred to as a "Lender"). Such lien for Common Expenses shall be in favor of the Association and shall be for the benefit of all other Unit Owners. Notice of such lien may be recorded by the Board. Upon the recording of such notice, the lien may be foreclosed by an action brought in the name of the Board in like manner as a mortgage of real property. This provision shall not be amended, modified or rescinded without the prior written consent of all Lenders who are the holders or owners of a mortgage or trust deed recorded prior to the date of such amendment, modification or rescission.

14. **Mortgages and Other Liens.**

(a) **Mortgages.** Each Unit Owner shall have the right, subject to the provisions herein, to make or create, or cause to be made or created, any mortgage or other lien on or affecting his/her respective Unit together with his/her respective ownership interest in the Common Elements. The Declarant shall have the right to make or create, or cause to be made or created, one or more mortgages or other liens on or affecting all or some of the Units to which it then owns fee simple title, and the Common Elements appurtenant thereto.

(b) **Other Liens.** Subsequent to the recording of the Declaration, no liens of any nature shall be created or arise against any portion of the Property except against an individual Unit or Units. No labor performed or materials furnished to any Unit with the consent or at the request of the Unit Owner of such Unit shall be the basis for the

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filing of a mechanic's lien claim against any other Unit or any other Unit Owner's interest in the Common Elements. If the performance of the labor or furnishing of the materials is expressly authorized by the Board, each Unit Owner shall be deemed to have expressly authorized and consented to such performance of labor and furnishing of materials, and each Unit Owner shall be liable for the payment of his/her Unit's proportionate share of any due and payable indebtedness, as set forth in the Act. A Unit Owner shall not be liable for any claims, damages or judgments entered as a result of any action or inaction of the Board, other than for mechanics' liens as set forth above. Each Unit Owner's liability for any judgment entered against the Board or the Association shall be limited to his/her proportionate share of the indebtedness, as set forth in the Act, whether collection is sought through assessment or otherwise.

15. Rights of Mortgagees.

(a) Approval Rights. Each of the following actions shall require the prior written approval of at least two-thirds (2/3) of the holders or owners of a recorded mortgage or trust deed constituting a first mortgage lien on any one or more Units as of the date such action is taken:

(i) Removal of the Property from the provisions of the Act, except for removal provided by law in the case of destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain,

(ii) Any amendment to this Declaration which changes the percentage interest in the Common Elements appurtenant to a Unit encumbered by such mortgage or trust deed, except amendments made pursuant to Paragraph 18 hereof;

(iii) Any amendment to this Paragraph 15(a) or to any other provision in this Declaration which specifically grants priority lien rights to the holders of such first mortgages or trust deeds.

(iv) Termination of professional fiscal management (by either a third party service provider or a Master Association described in Paragraph 31 hereof) by the Board.

(b) Notices and Information. Upon written request to the Association, any holder or owner of a recorded mortgage or trust deed constituting a first mortgage lien on any one or more Units (herein called a "First Mortgagee") shall be entitled to: (i) inspect the Declaration, By-Laws, rules and regulations and the books and records relating to the Property during normal business hours, upon reasonable notice; (ii) receive a copy of the annual financial statements and reports (including a statement of condition of the Association's reserve fund) of the Association which is prepared for the

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Association and distributed to Unit Owners, or if there is no audited statement available, the right to have an audited statement prepared at said mortgagee's expense; (iii) receive written notice of all meetings of the Association and shall be permitted to designate a representative to attend all such meetings; (iv) notice of any default in the obligations hereunder of the Unit Owner or Owners of such Unit or Units encumbered by such first mortgage lien, not cured within any applicable grace period, after notice of such default has been sent to such Unit Owner or Owners by the Association; (v) notice of a lapse, cancellation, or material modification of any insurance policy maintained by the Association; (vi) notice of any proposed action that requires the consent of a specified percentage of mortgage holders; and (vii) notice of any amendment to the Condominium Instruments which materially affects the security interest of the First Mortgagee.

(c) **Casualty and Eminent Domain.** Upon written request, a First Mortgagee of any one or more Units shall be entitled to timely written notice in the event of any substantial damage to or destruction of such Unit or Units, or of any part of the Common Elements, or if any portion or all of such Unit or Units or the Common Elements is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority. No Unit Owner or other party shall be entitled to priority over such First Mortgagee with respect to the distribution to such Unit Owner or other party of any insurance proceeds payable by reason of such damage or destruction or the proceeds of any such condemnation award or settlement.

(d) **Non-Exclusive.** The provisions hereof are in addition to all other rights of mortgagees herein contained or under applicable law.

16. **Separate Real Estate Taxes.** Real estate taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon real property shall be separately assessed against and levied upon each Unit and its corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes, special assessments or charges for any year are not separately assessed and levied upon each Unit, but rather are assessed and levied upon the Property as a whole, or upon one or more of the Parcels comprising the Property, then each Unit Owner shall pay his/her proportionate share thereof in accordance with his/her respective percentage of ownership interest in the Common Elements, and, in said event, such taxes shall be a Common Expense. Upon authorization by a two-thirds vote of the members of the Board or by the affirmative vote of a majority of the Unit Owners at a meeting duly called for such purpose, the Board, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with the assessment or levy of any such taxes, special assessments or charges, whether assessed and levied on each Unit separately or on

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the Property as a whole, and to charge and collect all expenses incurred in connection therewith as a Common Expense.

17. Insurance.

(a) **Property Insurance.** The Board shall have the authority to and shall obtain or cause to be obtained insurance for the Property, exclusive of the additions within, improvements to and decorating of the Units by the Unit Owners, against loss or damage by fire and such other causes of loss as are covered under Special Form Covered Cause of Loss provisions for the full insurable replacement cost (less deductibles) of the Common Elements (including the Limited Common Elements except as otherwise determined by the Board) and the Units, with an agreed-amount endorsement, and against such other causes of loss and for such amounts as the Board may deem advisable. Unless the Board determines otherwise, property insurance coverage for Units shall be limited to the bare walls, floors and ceilings of the Unit. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction, but shall also include coverage for the increased costs of construction due to building code requirements, at the time that the insurance is purchased and at each renewal date. The Board may from time to time determine the insurable replacement cost through an appraisal, the cost of which shall be a common expense. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board, as trustee for each of the Unit Owners in direct ratio to said Unit Owners' respective percentage of ownership in the Common Elements, as set forth in the Declaration, and for the holders of mortgages on each Unit, if any. Each such policy of insurance shall also contain a waiver of the transfer of recovery rights by the insurer against such insured persons or entities. The insurance need not cover improvements and betterments to the Units installed by the Unit Owners, but if improvements and betterments are covered, any increased costs may be assessed by the Association against the Units affected. Common elements include fixtures located within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual Units initially installed by the Developer. Common Elements exclude floor, wall, and ceiling coverings. "Improvements and betterments" means all decorating, fixtures, and furnishings installed or added to and located within the boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, or built-in cabinets installed by Unit Owners. The premiums and deductibles for such insurance shall be a Common Expense. The Board shall notify all persons insured under such policy in the event of its cancellation.

(b) **Public Liability Insurance.** The Board shall also have authority to and shall obtain commercial general liability insurance, in such amounts as it deems prudent (but in any event, in a minimum amount of \$1,000,000), against claims and liabilities

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arising in connection with the ownership, existence, use or management of the Property. All such insurance policies shall insure the Association, the Unit Owners, any mortgagee of record of any Unit, if any, the Association, its officers, directors and Board, the Managing Agent, if any, and their respective employees and agents and all persons acting as their respective agents, from liability in connection with the ownership, existence, use or management of the Property. The Unit Owners shall be included as insureds but only with respect to that portion of the Property not reserved for their exclusive ownership. Each such policy of insurance shall cover claims of one or more insured parties against other insured parties. Each such policy of insurance shall also contain a waiver of the transfer of recovery rights by the insurer against such insured persons or entities. The premiums and deductibles for such insurance shall be a Common Expense. The Board shall notify all persons insured under its such public liability policy in the event of its cancellation.

(c) **Directors and Officers Insurance.** The Board shall also have authority to and shall obtain insurance in such amounts, from such sources and in such forms as it deems prudent, insuring each Board member and Board officer, and each member of any committee appointed pursuant to the By-Laws of the Association, from liability arising from the fact that said person is or was a Board member or Board officer, or a member of such a committee. Such coverage must extend to all contracts and other actions taken by the Board in its official capacity as directors and officers, but shall exclude actions for which the directors are not entitled to indemnification under the General Not for Profit Corporation Act of 1935 or the Condominium Instruments. The premiums and deductibles for such insurance shall be a Common Expense.

(d) **Other Insurance.** The Board shall also have authority to and may obtain such other insurance as it deems prudent or necessary for the Property or any aspect of the ownership, operation or management thereof (including, but not limited to, boiler and machinery, environmental hazards, worker's compensation and employer's liability), in such amounts, from such sources and in such forms as the Board deems prudent. The premiums and deductibles for such insurance shall be a Common Expense.

(e) **Deductibles.** The Board may, in the case of a claim for damage to a Unit or the Common Elements, (i) pay the deductible amount as a Common Expense, (ii) after notice and an opportunity for a hearing, assess the deductible amount against the Unit Owners who caused the damage or from whose Units the damage or cause of loss originated, or (iii) require the Unit Owners of the Units affected to pay the deductible amount.

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

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

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

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

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

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

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

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

(k) **Insurance Trustee.** All property insurance policies purchased by the Board shall be for the benefit of the Association, the Unit Owners, their mortgagees and the Declarant, to the extent applicable, as their interests shall appear, and shall provide that, with respect to any single property loss, if the proceeds thereof exceed Fifty Thousand Dollars (\$50,000.00), then all such proceeds shall be paid in trust to the "Insurance Trustee" (which is defined as any bank or trust company authorized to transact business in the State of Illinois having a capital reserve of not less than \$10,000,000.00), and the Board may enter into an Insurance Trust Agreement with such Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of the coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee would be to receive such proceeds as are paid to it and to hold and disburse the same in trust for the purposes stated in the Condominium Instruments, for the benefit of the insureds and their beneficiaries thereunder. The Insurance Trustee shall be entitled to receive customary compensation and to be reimbursed for its reasonable expenses. If such proceeds with respect to any single loss do not exceed Ten thousand Dollars (\$10,000.00), then all such proceeds shall be paid to the Board, as trustee for the insureds and their beneficiaries under such policy in direct ratio to each such insured's respective interest therein, to be applied pursuant to the terms of Condominium Instruments.

(l) **Fidelity Insurance.** The Association shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the Association for the maximum amount of coverage available to protect funds in the custody or control of the Association plus the Association reserve fund in accordance with the Act. All management companies which are responsible for the funds held or administered by the Association shall maintain and furnish to the Association fidelity insurance for the maximum amount of coverage available to protect funds in the custody of the management company at any time. The Association shall bear the cost of the fidelity insurance, unless otherwise provided by contract between the Association and a management company. The Association shall be the direct obligee of any such fidelity bond. A management company holding reserve funds of the Association shall at all times maintain a separate account for each Association, provided, however, that for investment purposes, the Board may authorize a management company to maintain the Association's reserve funds in a single interest bearing account with similar funds of

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other associations. The management company shall at all times maintain records identifying all moneys of each association in such investment account. The management company may hold all operating funds of associations which it manages in a single operating account but shall at all times maintain records identifying all moneys of each association in such operating account. Such operating and reserve funds held by the management company for the Association shall not be subject to attachment by any creditor of the management company.

18. Casualty and Eminent Domain.

(a) **Insurance - Sufficient to Reconstruct Property.** In the event of a fire or any other disaster causing loss, damage, or destruction to or of the Property, the proceeds of any policy insuring against the same and payable by reason thereof, if sufficient to reconstruct the Property, shall be applied to such reconstruction. As used throughout this Paragraph 18, reconstruction means restoration of the Property to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and the Common Elements having, the same vertical and horizontal boundaries as prior thereto.

(b) **Insurance - Insufficient to Reconstruct Property.** In the event of a fire or any other disaster causing loss, damage or destruction to or of the Property, if the proceeds of any policy insuring against the same and payable by reason thereof are insufficient to reconstruct the Property, and fewer than fifty percent (50%) of the Units are rendered uninhabitable by such fire or other disaster, provision for reconstruction of the Property may be made by the affirmative vote of not fewer than three-fourths ($\frac{3}{4}$) of the Unit Owners voting at a meeting called for such purpose. Any such meeting shall be held within thirty (30) days following the final adjustment of insurance claims, if any. Otherwise such meeting shall be held within ninety (90) days after such fire or other disaster. At any such meeting, the Board or its representative shall present to the Unit Owners present an estimate of the cost of such reconstruction and the estimated amount of necessary special assessments against each Unit Owner in order to pay for such reconstruction. If the Property is reconstructed, any such insurance proceeds shall be applied to such reconstruction, and special assessments may be made against the Unit Owners in order to pay the balance of the cost thereof.

(c) **Insufficient Insurance - Withdrawal from Act.** In the event of a fire or any other disaster causing loss, damage, or destruction to or of the Property, if the proceeds of any policy insuring against the same and payable by reason thereof are insufficient to reconstruct the Property, and if provision for reconstruction of the Property is not made pursuant to subparagraph 18(b) above, then provision for withdrawal of one or more of the damaged Units from the provisions of the Act may be made by the affirmative vote of not fewer than three-fourths ($\frac{3}{4}$) of the Unit Owners voting at a

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meeting called for such purpose. Any such meeting shall be held within sixty (60) days following the final adjustment of insurance claims, if any. Otherwise such meeting shall be held within ninety (90) days after such fire or other disaster. Upon any such withdrawal of any Unit, the percentage of ownership in the Common Elements appurtenant thereto shall be reallocated among the remaining Units not so withdrawn on the basis of the relative values of each Unit. Any such insurance proceeds shall be allocated on the basis of relative percentage interest in the Common Elements or such other equitable basis as the Board may determine, among the Units, and the portions of the Common Elements, other than the Limited Common Elements, withdrawn. As compensation for such withdrawals (i) any such insurance proceeds allocated to withdrawn Units shall be applied in payment to the Unit Owners thereof in proportion to their relative percentages of ownership in the Common Elements appurtenant to such withdrawn Units; and (ii) any such insurance proceeds allocated to withdrawn portions of the Common Elements, other than Limited Common Elements, shall be applied in payment to all Unit Owners in proportion to their relative percentages of ownership in the Common Elements. Upon withdrawal of any Unit, the Unit Owner thereof shall be relieved of any further responsibility or liability for the payment of any future assessments incurred after withdrawal with respect to the withdrawn Unit.

(d) Insufficient Insurance - Application of Act. In the event of a fire or any other disaster causing loss, damage or destruction to or of the Property, if the Property is not insured against the peril causing the same or the proceeds of any policy insuring against the same and payable by reason thereof are insufficient to reconstruct the Property, and if provision for neither reconstruction nor withdrawal is made pursuant to subparagraph 18(b) and (c) above, then the provisions of the Act shall apply.

(e) Eminent Domain. In the event the Property or any portion of the Property is taken by eminent domain proceedings, provision for withdrawal from the provisions of the Act of the Property or such portion so taken may be made by the Board. Upon any such withdrawal of any Unit or portion thereof, the percentage of ownership in the Common Elements appurtenant to such withdrawn Unit or portion shall be reallocated among the remaining Unit Owners, with relief of responsibility or liability for payment of all or a portion of assessments therefor. In the event only a portion of the Property is taken by eminent domain proceedings, the Board shall endeavor to secure either the agreement of the condemning authority or a final judicial order that portion of the Property so condemned or taken shall remain subject to the provisions of the grant of easements contained in Paragraph 8. If such an agreement or order is secured, any condemnation award or other proceeds from such proceedings shall be allocated and paid in the same manner as provided by subparagraph 18(c) above with respect to casualty to the Property and insurance proceeds resulting therefrom. If such an agreement or order is not secured, any condemnation award or other proceeds from such proceedings shall first be applied to pay for all alterations, additions and

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improvements to the remaining portions of the Buildings made necessary by such condemnation and the balance of such award shall be allocated and paid in the same manner as provided by subparagraph 18(c) above with respect to casualty to the Property and insurance proceeds resulting therefrom.

(f) **Rights of Mortgagees.** The provisions of this Paragraph 18 shall be subject to the rights, if any, of the holders of mortgages on the Property or any part thereof or on any or all of the Units and the Common Elements appurtenant thereto. The withdrawal and reapportionment contemplated by subparagraphs 18(c) and (e) above shall be effective upon execution and recordation of an amendment to this Declaration, and an amended Plat, in accordance with the provisions of Paragraph 23(c) below. No provision contained herein shall give a Unit Owner or any other party priority over the first mortgagee of a Unit in the event of a distribution of the insurance proceeds covering losses from damage or destruction or a taking of a Unit, Units or the Common Elements by condemnation or eminent domain.

(g) **Board as Agent of Owner.** The Board is hereby irrevocably appointed the agent for each Unit Owner in any proceedings, negotiations, settlements or agreements related to condemnation or destruction of all or a part of the Property.

19. **Maintenance, Repairs and Replacements.**

(a) **General.** In general, each Unit Owner, at his/her own expense, shall furnish and be responsible for all maintenance of repairs to and replacements within his/her own Unit, and for all maintenance of, repairs to and replacements of the water heater, HVAC, if any, located within his/her own Unit and the condenser unit, if any, that may be located on the Common Elements for the central air conditioning for the Unit. Maintenance of, repairs to and replacements of the Common Elements shall be the responsibility of and shall be furnished by the Association. The Board shall perform, or cause to be performed, all of the maintenance, repair, and replacement of the Limited Common Elements, except to the extent as otherwise directed by the Board. The cost of said maintenance, repair and replacement of the Limited Common Elements performed, or caused to be performed, by the Board may be assessed in whole or in part, to the Unit Owner or Unit Owners benefited thereby. At the discretion of the Board, the Board may direct such Unit Owners, in the name and for the account of such Unit Owners, to arrange for such maintenance, repairs and replacements of the Limited Common Elements benefiting his Unit, to pay the cost thereof with the funds of the Unit Owner, and to procure and deliver to the Board such lien waivers and contractor's or subcontractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom, in conformity with such rules and regulations as the Board may from time to time adopt.

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(b) **Neglect of Owners, Etc.** If, due to the act, omission, or neglect of a Unit Owner, or of his/her agent, contractor, servant, family member, [tenant], invitee, licensee or household pet, damage shall be caused to the Common Elements (including Limited Common Elements) or to a Unit or Units owned by others, or any maintenance, repair or replacement is required, the cost of which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Board, to the extent not covered by the Association's insurance.

20. **Alterations, Additions or Improvements.**

(a) **Common Elements.** No alteration of any Common Elements or Limited Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as Common Expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws.

(b) **Unit.** Any Unit Owner may make alterations, additions or improvements within his/her own Unit without the prior written approval of the Board, but such Unit Owner must comply with rules and regulations adopted by the Board and shall be responsible for any damage to other Units, the Common Elements, the Property, the Building, or any part thereof, resulting from such alterations, additions or improvements.

(c) **Partition of Common Elements.** Notwithstanding the preceding subparagraph, no Unit Owner shall be permitted to partition the Common Elements.

21. **Decorating.**

Each Unit Owner, at his/her own expense, shall furnish and be responsible for all decorating within his/her own Unit, as may be required from time to time, including, but not limited to, painting, wallpapering, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Decorating of the Limited Common Elements shall be subject to rules and regulations promulgated by the Board. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the walls, floors and ceilings of his/her Unit, and such Unit Owner shall maintain said interior surfaces in good condition at his/her sole expense, as may be required from time to time. The maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he/she may see fit and at his/her sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by

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maintenance, repair or replacement of the Common Elements or Limited Common Elements by the Association and is not otherwise the responsibility of a Unit Owner, shall be furnished by the Association as part of the Common Expenses, provided that the Association shall only be responsible for the then existing residual fair market value of the affected decorating as of the time of such damage.

22. Remedies

(a) **General.** In general, in the event of any violation of the provisions of the Act, Condominium Instruments, or rules and regulations of the Board or Association by any Unit Owner (either by his/her own conduct or by the conduct of any occupant, guest, invitee, licensee or pet), the Association, or its successors or assigns, or the Board, or its agents, shall have each and all of the rights and remedies which may be provided for in the Act, the Condominium Instruments, Article IX of the Code of Civil Procedure or said rules and regulations, or which may be provided or permitted at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner or others (including but not limited to, occupants, guests, invitees and licensees) for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and such Unit Owner's interest in the Property, and to sell the same, as hereinafter in this Paragraph 22 provided, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his/her respective share of the Common Expenses, and the Board shall have a lien for all of the same, as well as for non-payment of his/her respective share of the Common Expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all additions and improvements thereto and upon all personal property located in the Unit or located elsewhere on the Property; provided, however, that such lien shall be subordinate to the lien of any mortgage or trust deed on the Unit or any portion thereof, or on any such interest of said Unit Owner, which mortgage or trust deed is recorded prior to the date such lien for unpaid Common Expenses attaches, and is owned or held by any Lender, except for the amount of said proportionate share of such Common Expenses which become due and payable from and after the date on which such Lender purchases the Unit at a judicial foreclosure sale or receives title to the Unit by deed in lieu of foreclosure or judgment by common law strict foreclosure or otherwise takes possession pursuant to a court order under the Illinois Mortgage Foreclosure Law. In the event of any such default by any Unit Owner, the Board shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all

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expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner, together with interest thereon at the rate aforesaid. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise. As long as the provisions of Paragraph 7 are effective, prior to the exercise of any remedies provided by this Paragraph 22, the Board shall notify the City of the Unit Owner's default. This provision shall not be amended, modified or rescinded without the prior written consent of all Lenders who are the holders or owners of a mortgage or trust deed recorded prior to the date of such amendment, modification or rescission.

(b) Self Help; Injunction; Eviction. The violation of any provisions of the Act, the Condominium Instruments or the rules and regulations of the Association by any Unit Owner (either by his/her own conduct or by the conduct of any occupant, guest, invitee, licensee or pet of his/her Unit) shall give the Board and its employees and agents, the right, in addition to any other rights provided for in this Declaration: (a) to enter upon the Unit, or any portion of the Property upon which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions of the Act, the Condominium Instruments or such rules and regulations, as the case may be, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass, or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, or (c) to take possession of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by the Act and other applicable law.

(c) Remedies Cumulative. The Board and Association shall have the power to exercise any and all of the foregoing remedies, all said remedies being cumulative and in addition to any other remedy available at law or equity.

(d) Action Against Developer. Anything to the contrary notwithstanding, except for collection of unpaid share of Common Expenses, neither the Association, Board nor Unit Owners shall commence any judicial or administrative proceedings against the Developer without in each instance, the prior approval of not less than Sixty-Six and Two-Thirds Percent (66 2/3%) of all Unit Owners.

(e) Mediation Required. As a pre-requisite to the exercise of any remedy under this Paragraph 22, but excepting any action to collect Common Expenses or assessments related thereto or to deal with emergency situations (as determined by the Board), the Board or Unit Owner may institute mediation proceedings under the auspices of a mutually agreed mediator (or, if the parties are unable to agree, the American Arbitration Association pursuant to its mediation rules and procedures), and

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the parties must participate in such proceedings in good faith to be held and completed within thirty (30) days of a party's request for such mediation. If the matter remains wholly or partially unresolved by said mediation, the parties then will be entitled to exercise the remedies provided herein.

23. Amendment.

(a) Amendment Procedure. Subject to any additional requirements under the Act and except as otherwise provided in this Declaration, the provisions of this Declaration may be amended, modified or rescinded by a resolution setting forth such amendment, modification or rescission and duly adopted by (i) the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of all the Unit Owners, or by an instrument in writing setting forth such amendment, modification or rescission and signed by not less than sixty-six and two-thirds percent (66-2/3%) of all the Unit Owners and duly acknowledged before a notary public, and (ii) approved by mortgagee(s), if such approval is required under the Act, Declaration or By-Laws. All holders of a recorded mortgage or trust deed encumbering any one or more Units in the Property shall be notified by certified mail of any such amendment, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing shall be made a part of any instrument effecting such amendment, modification or rescission; provided however, that the mere failure to give such notice shall not affect the validity of an amendment. No such amendment, modification or rescission shall change the boundaries of any Unit, the undivided interest in the Common Elements appurtenant to any Unit, the number of votes in the Association allocated to any Unit, or the liability for Common Expenses appertaining to any Unit, except to the extent and in the manner authorized under the Act or otherwise provided in this Declaration. Anything herein to the contrary notwithstanding, no amendment shall be made to Paragraph 7 hereof without the prior written consent of the Commissioner and the Illinois Housing Development Authority.

(b) [Intentionally Omitted]

(c) Casualty or Eminent Domain. Where the provisions of either subparagraphs 18(c) or (e) have been complied with, relating to casualty or eminent domain, the Board shall execute and record an amendment to this Declaration setting forth all pertinent aspects of the events or transactions resulting in such amendment, and a legal description sufficient to indicate the location of any property involved in said events or transaction, and specifying any resultant reapportionment of percentages of ownership in the Common Elements, and shall concurrently therewith record either an amended Plat depicting the same and conforming to the requirements of the Act or a certification of the previously recorded Plat, that is in accordance with the certifications

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requirements of the Act. Any such amendment to this Declaration, amended Plat or certification shall be prepared at the expense of the Unit Owners affected thereby.

(d) **Consent of Third Parties.** If the Act, this Declaration or the By-Laws require the consent or agreement of certain designated parties (including, but not limited to, the City or the Commissioner) for any action specified in the Act, this Declaration or the By-Laws, then any instrument amending, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by such designated parties, as the case may be.

(e) **Limited Common Element Designation.** Any provision in this Declaration or the Plat designating and describing a Limited Common Element in the Property, or reserving the exclusive enjoyment, benefit and use thereof to certain Units to be served thereby, shall not be amended, modified or rescinded without the prior written consent of the Unit Owner(s) to whom said Limited Common Element is assigned.

(f) **Recording of Amendment.** Any amendment, modification or rescission of this Declaration pursuant to this Paragraph 23 or any other provision of this Declaration or of the Act shall be valid and effective only upon the recording thereof, together with an amended Plat if required hereby or by the Act, in the Office of the Recorder of Deeds of Cook County, Illinois. This Declaration may not be amended, modified, or rescinded so as to violate the provisions of the Act, and any such attempted amendment, modification or rescission in violation of the provisions of the Act shall be void and of no force and effect.

24. Notices. Notices provided for in the Act, this Declaration or By-Laws shall be in writing and shall be addressed to the Association, to the Board or to any Unit Owner, as the case may be, at the Unit address of the President of the Association and the Board and the Unit Owners, respectively, at 1752-56 North Kedzie Boulevard, Chicago, Illinois 60647-4910, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to each of them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him/her by giving written notice to the Association. Unless otherwise expressly provided herein, notices addressed as above shall be deemed delivered on the fifth (5th) calendar day after deposit in the United States mail, or on the date delivered in person by messenger, overnight courier service or facsimile transmission. Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any one or more Units in the Property shall be given a copy of all notices permitted or required by this Declaration, the By-Laws or the Act to be given to the Unit Owner or Owners whose Unit is subject to such mortgage or trust deed.

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25. Headings. The headings of paragraphs and sections in this Declaration and the By-Laws are for convenience or reference only and shall not in any way limit or define the content or substance of such paragraphs and sections.

26. Number and Gender. As used in this Declaration, the singular shall include the plural and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.

27. Severability. Declarant intends and believes that each provision in this Declaration and all Exhibits hereto, including, without limitation, the By-Laws, comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Declaration or any Exhibit hereto, including, without limitation, the By-Laws, is found by a court of law to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision or public policy and if such court should declare such portion, provision or provisions of this Declaration or any Exhibit hereto to be illegal, invalid, unlawful, void or unenforceable as written, then it is Declarant's intent (a) that such portion, provision or provisions shall be given force to the fullest possible extent that the same is legal, valid and enforceable, (b) that the remainder of this Declaration and the Exhibits hereto, including, without limitation, the By-Laws, shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and (c) that the rights, obligations and interests arising under the remainder of this Declaration and all Exhibits hereto, including, without limitation, the By-Laws, shall continue in full force and effect.

28. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule of property known as the rule against perpetuities, then such provision shall continue in force and effect only until twenty-one (21) years after the death of the survivor of the now living descendants of the current President of the United States, George W. Bush, and of the current Mayor of the City of Chicago, Richard M. Daley.

29. Rights and Obligations. Each grantee of the Declarant, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, easements, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in the Parcels, the Property or any portion thereof, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration

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were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

30. Land Trustee as Unit Owner. In the event title to any Unit is conveyed to a land titleholding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Unit Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit. No claim shall be made against any such trustee personally, for payment of any lien or obligation hereunder created, and such trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Unit.

[signature pages follow]

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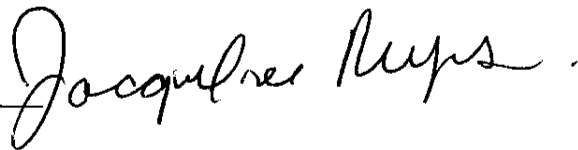
Counterpart Signature Page

IN WITNESS WHEREOF, the undersigned has caused his or her name to be signed to these presents this 7th day of February 2008.

UNIT OWNER

By: Jacqueline Reyes
Name:

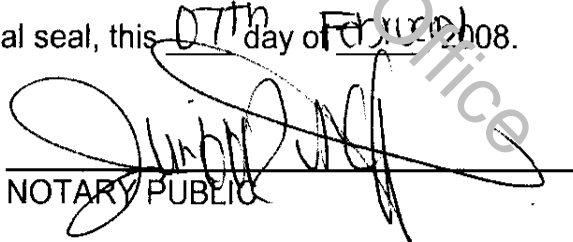
Unit: 1756 N. Kedzie
Unit #A
Chicago, IL 60647



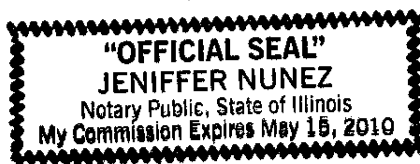
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Jeniffer Nunez, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Jacqueline B. Reyes personally known to me to be the same person whose name is subscribed to the foregoing instrument as such person appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 07th day of February 2008.


NOTARY PUBLIC

(SEAL)



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IN WITNESS WHEREOF, the undersigned has caused his or her name to be signed to these presents this 5th day of February, 2008.

UNIT OWNER

By: Sonia D. Oscar Alvarado
Name: Sonia Oscar Alvarado
Unit: - B

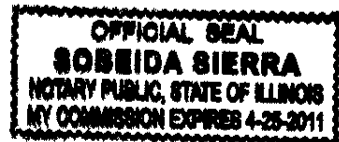
STATE OF ILLINOIS)
))
)) SS.
COUNTY OF COOK)

I, Sobeida Sierra, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Mr. Alvarado, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such person appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 5 day of Feb, 2008.

Sobeida Sierra
NOTARY PUBLIC

(SEAL)



UNOFFICIAL COPY

Counterpart Signature Page

IN WITNESS WHEREOF, the undersigned has caused his or her name to be signed to these presents this 1st day of February, 2008.

UNIT OWNER

By: Sharon L. Blok-Escobar
Name: Sharon L. Blok-Escobar
Unit: 1756 N. Kedzie Unit C

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Jennifer Nunez, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Sharon L. Blok-Escobar is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such person appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 07th day of February, 2008.

Jennifer Nunez
NOTARY PUBLIC



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Counterpart Signature Page

IN WITNESS WHEREOF, the undersigned has caused his or her name to be signed to these presents this 4th day of FEBRUARY, 2008.

UNIT OWNER

By: Maribel Barrero
Name: Maribel Barrero
Unit: D

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Brian S. Feldman, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Maribel Barrero, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such person appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 4th day of FEB, 2008.

Brian S. Feldman
NOTARY PUBLIC

(SEAL)



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Counterpart Signature Page

IN WITNESS WHEREOF, the undersigned has caused his or her name to be signed to these presents this 12th day of FEB, 2008.

UNIT OWNER

By: [Signature]
Name: NHS Redevelopment Corporation
Unit: F

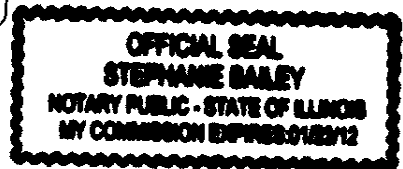
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Stephanie Bailey, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Floyd A. Gardner III who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such person appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 12 day of February, 2008.

[Signature]
NOTARY PUBLIC

(SEAL)




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Counterpart Signature Page

IN WITNESS WHEREOF, the undersigned has caused his or her name to be signed to these presents this 29 day of February, 2008.

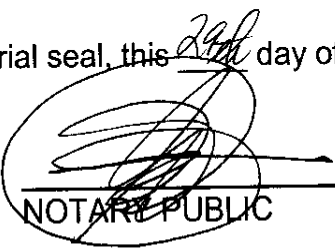
CITY OF CHICAGO DEPARTMENT OF HOUSING

By: 
 Name: Ellen K. Sahli
 Title: Commissioner

STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

I,  a Notary Public in and for said County, in the State aforesaid, do hereby certify that Ellen K. Sahli, the Commissioner of the City of Chicago Department of Housing, an Illinois body corporate and politic, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Commissioner appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act and as the free and voluntary act of said Department of Housing for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 29th day of February, 2008.


 NOTARY PUBLIC

(SEAL)



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Counterpart Signature Page

IN WITNESS WHEREOF, the undersigned has caused his or her name to be signed to these presents this 25th day of February, 2008.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

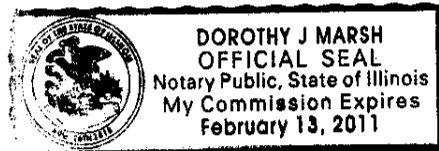
By: [Signature]
Name: Jane Bilger
Title: Assistant Executive Director

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Dorothy Marsh, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Jane Bilger, the Assistant Executive Director of the Illinois Housing Development Authority, an Illinois body corporate and politic, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Assistant Executive Director appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act and as the free and voluntary act of said Illinois Housing Development Authority for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 25th day of February, 2008.

[Signature]
NOTARY PUBLIC
(SEAL)



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EXHIBIT A

LEGAL DESCRIPTION

Parcel 1: Lots 1 and 2 in Subdivision of that part South of the Railroad Right of Way of Lot 1 and all of Lots 2, 3, 5, 6, 7 and 8 of Block 13 of E. Simon's Subdivision of the South East ¼ of Section 35, Township 40 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois, and

Parcel 2: "All that portion of the South 28.0 feet of the North 50.0 feet of the South ½ of the Southeast ¼ of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian which is not at present dedicated as a Public Street" lying between the Northerly extensions of the West and East lines of Lot 1 in Block 13 in E. Simon's Subdivision of the South East ¼ of Section 35, Township 40 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois

Common Address: 1756 N. Kedzie Blvd., Chicago, Illinois

PINs:
13-35-417-078-1001
13-35-417-078-1002
13-35-417-078-1003
13-35-417-078-1004
13-35-417-078-1005
13-35-417-078-1006
13-35-417-078-1007

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EXHIBIT C
**Percentage of Ownership Interest
in the Common Elements of
Kedzie Townhomes, A Condominium:**

<u>UNIT</u>	<u>PERCENTAGE OF OWNERSHIP</u>
A	13
B	17
C	16
D	17
E	16
F	17
G	4
<hr/>	
	100.00%

Property of Cook County Clerk's Office

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EXHIBIT D

BY-LAWS OF

KEDZIE TOWNHOMES, A CONDOMINIUM

ARTICLE I

Members (Unit Owners)

Section 1. Eligibility. KEDZIE TOWNHOMES CONDOMINIUM ASSOCIATION, an Illinois condominium association, shall have one class of membership, consisting of the respective Unit Owners of the Property known or to be known as the Kedzie Townhomes, a Condominium, located at 1752-56 North Kedzie Boulevard, Chicago, Illinois 60647. Each Unit Owner's membership interest in the Association shall equal the Unit Owner's respective percentage of ownership interest in the Common Elements of the Property. (All undefined capitalized terms in these By-Laws are used as they are defined in the Declaration of Condominium Ownership of the Kedzie Townhomes, a Condominium, which Declaration is recorded in the office of the Recorder of Deeds of Cook County, Illinois.)

Section 2. Succession. Each Unit Owner shall be a member of the Association. A Unit Owner's membership in the Association shall automatically terminate when the Unit Owner ceases to be a Unit Owner. Upon the conveyance, transfer or other disposition of the Unit Owner's ownership interest, the Unit Owner's membership in the Association shall automatically be transferred to the new Unit Owner.

Section 3. Regular Meetings.

3(a) Annual Meeting/Purpose. The Unit Owners shall hold a regular annual meeting, one of the purposes of which shall be to elect members of the Board.

3(b) First Regular Meeting. The first regular annual meeting of Unit Owners (the "First Meeting") may be held on any date, at the option of the Developer, after the Developer has sold and delivered its deed to at least fifty percent (50%) of the Units; provided, however, that written notice of said First Meeting, stating the purpose thereof, shall be delivered to all Unit Owners at least twenty-one (21) days and not more than thirty (30) days prior to the date of such First Meeting, and further provided that said First Meeting shall be held not later than sixty (60) days after the Developer has sold and delivered its deed for 75% of the Units or three (3) years after the date the

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Declaration is recorded, whichever is earlier. Not later than three (3) business days after any Unit Owner's written request therefor, the Developer shall provide such Unit Owner with the names, addresses, and weighted vote of each Unit Owner entitled to vote at such First Meeting.

3(c) Subsequent Regular Meeting. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year within fifteen (15) days of the anniversary of the First Meeting. Written notice of all regular annual meetings of Unit Owners subsequent to the First Meeting shall be mailed or delivered to all Unit Owners at least ten (10) days and not more than thirty (30) days prior to the date of such meeting, and shall state the place and purpose of such meeting. No later than ten (10) business days after any such Unit Owner's written request therefor, the Board shall provide such Unit Owner with the names, addresses, and weighted vote of each Unit Owner entitled to vote at any such regular annual meeting of Unit Owners subsequent to the First Meeting, held to elect members of the Board.

3(d) Location of Regular Meetings. All the regular annual meetings of Unit Owners (including the First Meeting) shall be held at such place in Chicago, Illinois, and at such time as shall be specified in the written notice of such meeting.

Section 4. Special Meetings. Special meetings of the Unit Owners may be called by the President or by a majority of the members of the Board, or by twenty percent (20%) or more of the Unit Owners. Any matter subject to the approval of Unit Owners as set forth in the Condominium Property Act (the "Act"), Declaration and these By-Laws may be submitted to the Unit Owners by the Board at a special meeting called pursuant to the provisions of this paragraph.

Section 5. Delivery of Notice of Meetings. Written notice of any meeting of the Unit Owners shall be mailed or delivered giving Unit Owners no less than ten (10) and no more than thirty (30) days notice of the time, place, and purpose of such meeting. Notices of meetings shall be delivered by or mailed at the direction of the Secretary of the Association, and may be delivered or mailed to a Unit Owner at the address given to the Board by said Unit Owner for such purpose, or at the Unit Owner's Unit, if no address for such purpose has been given to the Board.

Section 6. Quorum. A quorum for any meeting of the Unit Owners shall be constituted by Unit Owners present in person or represented by proxy at such meeting and holding twenty percent (20%) of the votes entitled to be cast at such meeting. If a Unit is sold by a Unit Owner other than the Developer pursuant to an installment contract, the purchaser shall be counted towards a quorum for purposes of the election of members of the board of Directors at any meeting of the Unit Owners called for purposes of electing members of the Board and shall have the right to vote at and to be

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a candidate in such election, and if elected, to serve on the Board during those times the purchaser resides in the Unit, provided that the seller has not expressly retained in writing any or all such rights. In no event may the purchaser and seller both be counted towards the quorum, be permitted to vote, be a candidate, be elected, or serve on the Board. The purchaser and seller shall make available to the Association or its agents satisfactory evidence of such installment contract.

Section 7. Voting.

7(a) Total Votes. The aggregate number of votes for all Unit Owners shall be one hundred (100), and shall be divided among the respective Unit Owners in accordance with their respective percentage of ownership interest in the Common Elements. However, if at any time thirty percent (30%) or fewer of the Units, by number, possess, in the aggregate, over fifty percent (50%) of the undivided ownership interest in the Common Elements, then any percentage vote of the Unit Owners specified in the Act, the Declaration or these By-Laws shall require the vote of the specified percentage of Units on the basis of one vote per Unit, rather than the specified percentage of ownership interest in the Common Elements allocated to Units that would otherwise be applicable.

7(b) Multiple Owners. If there is more than one owner of a Unit, the voting rights of such Unit Owners shall not be divided, but shall be exercised as if the Unit Owner consisted of only one person, and one person shall be designated by the multiple Unit Owners to exercise the vote for such Unit. Where there is more than one owner of a Unit, if only one of the multiple owners is present at a meeting of the Unit Owners, he/she shall be entitled to cast all the votes allocated to that Unit. If more than one of the multiple owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners. There is majority agreement when any one of the multiple owners cast the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit.

7(c) Voting By Developer. The Developer will be deemed to have exercised the voting rights with respect to Units owned by it by vote made by its designated employee or agent.

7(d) Voting Rights of Certain Entities. If a Unit Owner is a trust, then the voting rights of said Unit Owner may be exercised by a beneficiary of such trust; if a Unit Owner or such beneficiary is a partnership, then the voting rights of said Unit Owner or beneficiary may be exercised by a general partner of such Unit Owner or beneficiary; if a Unit Owner or such beneficiary or such partner is a corporation or limited liability

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entity, then the voting rights of said Unit Owner, beneficiary or partner may be exercised by an officer or duly authorized agent of that corporation or limited liability entity.

7(e) Proxies. The voting rights of a Unit Owner may be exercisable by proxy executed in writing by the Unit Owner or by the Unit Owner's duly authorized attorney-in-fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Every proxy must bear the date of execution. Any proxy distributed for Board elections by the Board of must give Unit Owners the opportunity to designate any person as the proxy holder and give the Unit Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

7(f) Matters Requiring Approval of Two-Thirds of Total Ownership. The following matters shall require the approval of Unit Owners owning not less than Sixty-Six and Two-Thirds Percent (66 2/3%) of the total ownership of the Common Elements, by affirmative vote at a meeting duly called for that purpose: (a) the merger or consolidation of the Association; (b) 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; or (c) the purchase or sale of land or Units on behalf of all Unit Owners.

Section 8. Rules of the Meeting. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and the Unit Owners.

ARTICLE II Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (the "Board") shall constitute the "Board of Managers" provided for in the Act, and all rights, titles, powers, privileges and obligations vested in or imposed upon the Board of Managers in the Act or in the Declaration may be held or performed by the Association or by the duly elected members of the Board and their successors in office. [Until the first meeting of Unit Owners, the Board shall consist of three (3) members (the "members of the First Board"), all designated by the Developer.] Thereafter, the Board shall consist of three (3) members (herein referred to as "Board members"). Board members shall be elected from among the Unit Owners at the regular annual meeting of Unit Owners. Each Unit Owner may cast a number of votes equal to the number of Board members being elected. Cumulative voting is not permitted. A candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of ballots of such election. Those candidates for election receiving the greatest number of votes cast at the meeting shall be elected. Every Board member, except for certain Board members elected at the

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First Meeting, shall hold office for a term of two years. Board members may succeed themselves in office. The two (2) candidates for Board members receiving the greatest number of votes at the First Meeting shall hold office for a term of two years and the next one (1) candidate for Board members receiving the next greatest number of votes at the First Meeting shall hold office for a term of one year. In the event that the length of terms of all the Board members elected at the First Meeting cannot be determined due to tie votes, then the first elected Board shall determine which Board members elected at the First Meeting shall have a two-year terms and which Board member elected at the First Meeting shall have a one-year term. The Association may, upon adoption of the appropriate rules by the Board of Directors, conduct elections by secret ballot whereby the voting ballot is marked only with the percentage interest for the unit and the vote itself, provided that the Board further adopt rules to verify the status of the Unit Owner issuing a proxy or casting a ballot. Elections may be conducted by mail or by absentee ballot as provided in the Act. The Board may disseminate to the Unit Owners biographical and background information about candidates for election to the Board if reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated; and the Board does not express a preference in favor of any candidate.

Section 2. Qualification. Except for members of the First Board, each Board member shall be a Unit Owner. If a Unit Owner is a trustee of a trust, then a beneficiary of such trust may be a Board member; if a Unit Owner or such a beneficiary is a partnership, then a general partner of such Unit Owner or beneficiary may be a Board member; if a Unit Owner or such beneficiary or such partner is a corporation or limited liability entity, then an officer or designated agent of such corporation or entity may be a Board member; and while the Declarant owns any Unit, the Developer's designee may be a Board member. If a Board member shall cease to meet such qualifications during his or her term, he/she shall thereupon cease to be a Board member and his/her place shall be deemed vacant. If there are multiple Owners of a single Unit, only one of the multiple Owners shall be eligible to serve as a member of the Board at any one time.

Section 3. Vacancies. Any vacancy occurring on the Board may be filled by the two-thirds (2/3) vote of the remaining Board members. Any Board member so elected shall serve until the next annual meeting or for a period terminating no later than 30 days following the delivery to the Board of a petition signed by Unit Owners holding 20% of the votes of the Association requesting a meeting of the Unit Owners to fill the vacancy for the balance of the term. If such a petition is delivered, a meeting of the Unit Owners shall be held no later than 30 days following the delivery of such notice, at which meeting the Unit Owners shall vote to fill the vacancy on the Board for the remainder of the vacated term.

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Section 4. Removal. Any Board member may be removed from office for cause by the vote of Unit Owners owning at least two-thirds (2/3) of the total undivided ownership of the Common Elements.

Section 5. Compensation. Board members shall receive no compensation for their services as Board members, unless approved by the vote of Unit Owners owning at least two-thirds (2/3) of the total undivided ownership of the Common Elements.

Section 6. Meetings.

6(a) Regular Meetings. At least four (4) quarterly regular meetings of the Board shall be held annually, one of which (the "regular annual meeting of the Board") shall be held within ten (10) days after the regular annual meeting of Unit Owners.

6(b) Special Meetings. Special meetings of the Board shall be held upon notice by the President or twenty five percent (25%) of the Board on not less than forty-eight (48) hours' notice in writing to each Board member, by mail or personal delivery.

6(c) Notice of Board Meetings. Each Board member shall receive at least forty-eight (48) hours prior notice of any regular meeting, by mail or personal delivery. Any Board member may waive notice of a regular or special meeting, consent to the holding of a regular or special meeting without notice, or consent to any action proposed to be taken by the Board without a meeting, provided such waiver or consent is in writing and dated at or prior to the meeting or action. A Board member's attendance at a meeting shall constitute his/her waiver of notice of said meeting. Except as otherwise provided in this Section 6, notice of any meeting of the Board shall be posted in conspicuous locations on the Property at least forty-eight (48) hours prior to such meeting, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened; provided, however, that notice of all regularly scheduled Board meetings may be given once for any 12 month period and need not be given again unless a regularly scheduled meeting is reset to be held at a different time or place.

6(d) Open Meetings. All meetings of the Board shall be open to Unit Owners, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment, or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or a Unit Owner's unpaid share of Common Expenses. However, any vote on these matters shall be

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taken at a meeting or a portion thereof open to any Unit Owner. Any Unit Owner may record by tape, film, or other means those meetings or portions thereof required to be open by this section, subject to any reasonable rules and regulations the Board may prescribe.

Section 7. Quorum. A majority of the Board members then serving in office shall constitute a quorum.

Section 8. Powers and Duties. The Board shall exercise for the Association all powers, duties and authority vested therein by the Act, the Declaration or these By-Laws, except for such powers, duties, and authority reserved by law to the Unit Owners. The powers and duties of the Board shall include, but not be limited to, the following:

8(a) to elect and remove the officers of the Association as hereinafter provided;

8(b) to administer the affairs of the Association and the Property;

8(c) to engage the services of a managing agent to maintain, repair, replace, administer and operate the property or any part thereof for all of the Unit Owners, as provided in the Declaration, including the required use of a master association as provided in Paragraph 31 of the Declaration, provided, however, that the termination provision of any professional management contract may not require the payment of any penalty or an advance notice of more than ninety (90) days, and to engage the services of one or more operators, suppliers and owners of services and service equipment and areas, to provide utility services and other services to the Property, if necessary, as provided in the Declaration, and all upon such terms and for such compensation and with such authority as the Board may approve;

8(d) to administer, manage, and operate the Property, including the Common Elements, and to formulate policies therefor;

8(e) to adopt rules and regulations after a regular or special meeting of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations and which conforms to the requirements of Section 18 of the Act, governing the details of the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time. However, no rule or regulation may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution, nor may any rules or regulations conflict with the provisions of the Act or the Declaration or By-Laws;

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8(f) to provide for the operation, care, upkeep, maintenance, repair, replacement and improvement of the Common Elements and payment therefor, and approve payment vouchers or delegate such approval to the officers of the Association or to the managing agent or operating agents. Nothing in this subsection (f) shall be deemed to invalidate any provision in the Condominium Instruments placing limits on expenditures for the Common Elements, provided that, that such limits shall not be applicable to expenditures for repair, replacement, or restoration of existing portions of the Common Elements. The terms "repair, replacement or restoration" means expenditures to deteriorated or damaged portions of the Property related to the existing decorating, facilities, or structural or mechanical components, interior or exterior surfaces, or energy systems and equipment, with the functional equivalent of the original portions of such areas. Replacement of the Common Elements may result in an improvement over the original quality of such elements or facilities; provided that, unless the improvement is mandated by law or is an emergency, if the improvement results in a proposed expenditure exceeding five percent (5%) of the annual budget, the Board, upon written petition by Unit Owners with 20 percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board action to approve the expenditure, shall call a meeting of the Unit Owners within thirty (30) days of the date of delivery of the petition to consider such expenditure; unless a majority of the total votes of the Unit Owners are cast at the meeting to reject the expenditure, it is ratified. As used herein, "emergency" means an immediate danger to the structural integrity of the common elements or to the life, health, safety or property of the Unit Owners;

8(g) to have access to each Unit or Limited Common Elements from time to time as may be necessary for the maintenance, repair, or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs necessary to prevent damage to the Common Elements or to one or more other Units, or to make any maintenance, repair, replacement or alteration required by any governmental authority;

8(h) to obtain adequate and appropriate insurance, and arrange for an annual review of such insurance coverage by an independent insurance consultant, as provided in Paragraph 17 of the Declaration;

8(i) to provide for the designation, employment and dismissal of employees, if applicable, and other personnel necessary or advisable for the maintenance and operation of the Common Elements, 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 Elements;

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8(j) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

8(k) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

8(l) to estimate the amount of and prepare, adopt and distribute the annual budget, and amend such budget from time to time, and to provide the manner of assessing, levying on and collecting from the Unit Owners their respective shares of the Common Expenses, as hereinafter provided;

8(m) to keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;

8(n) to supply each Unit Owner annually with an itemized accounting of the Common Expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures, or repairs or maintenance and with a tabulation of the amounts collected as assessments pursuant to the budget, and showing the net excess or deficit of income over expenditures plus reserves.

8(o) to bid for and purchase any Unit, for and on behalf of the Association, at a sale pursuant to a mortgage foreclosure of the lien for Common Expenses under the Act or an order or direction of a court, or at any other involuntary sale, pursuant to and subject to the limitations of Paragraph 11(f) of the Declaration;

8(p) to make such mortgage arrangements, levy special assessments proportionately among the respective Unit Owners and make other financing arrangements in order to close and consummate the purchase by the Association of a Unit, or interest therein, or other real estate, or any interest therein pursuant to and subject to the limitations of Paragraph 11(f) of the Declaration;

8(q) to own, encumber, convey, and otherwise deal with Units or any other real estate, or any interest therein, conveyed to or purchased by the Association or the Board, for and on behalf of the Association, pursuant to and subject to the limitations of Paragraph 11(f) of the Declaration;

8(r) to act in a representative capacity in relation to matters involving the Common Elements or more than one Unit, on behalf of the Unit Owners, as their interest may appear;

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

8(t) to exercise all other powers and duties of the Board or Unit Owners as a group referred to in the Act and all powers and duties of a Board of Directors or a Board of Managers referred to in the Declaration or these By-Laws;

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

8(v) to record the dedication of a portion of the Common Elements to a public body for use as, or in connection with, a street or utility where authorized by the Unit Owners under the provisions of Section 14.2 of the Act;

8(w) to record the granting of an easement for the laying of cable television cable where authorized by the Unit Owners under the provisions of Section 14.3 of the Act, and to obtain, if available and determined by the Board to be in the best interests of the Association, cable television service for all of the Units on a bulk identical service and equal cost per Unit; and to assess and recover the expense as a Common Expense and, if so determined by the Board, to assess each and every Unit on the same equal cost per Unit;

8(x) to seek relief on behalf of all Unit Owners when authorized pursuant to Paragraph 16 of the Declaration from or in connection with the assessment or levying of real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof or of any lawful taxing or assessing body;

8(y) to lease, grant licenses or concessions with respect to the Common Elements, subject to the provisions of the Declaration and By-Laws;

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

Section 9. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of

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the Association any powers or duties which, by law, have been delegated or reserved to the Unit Owners.

ARTICLE III Officers

Section 1. Designation. At each regular annual meeting of the Board, the Board members present at said meeting shall elect the following officers of the Association by a majority vote:

1(a) President. A President, who shall be a Board member and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;

1(b) Secretary. A Secretary, who shall be a Board member and who shall keep, or cause to be kept, the minutes of all meetings of the Board and of the Unit Owners, and shall be designated as the officer to mail and receive all notices served by or upon the Board or the Association and execute amendments to the Declaration (including the Plat), these By-Laws, as provided in the Act, and shall, in general, perform all the duties incident to the office of Secretary; and

1(c) Treasurer. A Treasurer, who shall be a Board member and who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported, and shall, in general, perform all the duties incident to the office of Treasurer.

Section 2. Term of Office. Each officer shall hold office for the term of one year or until his/her successor shall have been appointed or elected and qualified, provided that any officer may succeed him/herself.

Section 3. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the members thereof at a 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/she succeeds.

Section 4. Compensation. The officers shall receive no compensation for their services as officers.

Section 5. Powers. The respective officers shall have the general powers usually vested 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.

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ARTICLE IV Assessments

Section 1. Annual Budget. The Board shall prepare and distribute to all Unit Owners a detailed proposed annual budget for each fiscal year of the Association. Such budget shall set forth with particularity all anticipated Common Expenses by category, as well as all anticipated assessments, other income and cash requirements for the year, including, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, the cost of supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other Common Expenses. The initial budget and Common Expenses based thereon shall be adopted prior to the conveyance of any Unit. Such budget shall also allocate the Common Expenses pursuant to Paragraph 13 of the Declaration and set forth each Unit Owner's proportionate share of said proposed Common Expenses. To the extent that the aggregate assessments and other cash income collected from the Unit Owners during the preceding year are 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 in the budget. The annual budget shall also provide for reasonable reserves for capital expenditures and deferred maintenance for repair or replacement of the Common Elements, and may also provide for any other specially designated fund which the Board may deem desirable, in reasonable amounts as determined by the Board. To determine the amount of reserves appropriate for the Association, the Board shall take into consideration the following: (i) the repair and replacement cost, and the estimated useful life, of the property which the Association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the buildings and Common Elements, and energy systems and equipment; (ii) the current and anticipated return on investment of Association funds; (iii) any independent professional reserve study which the Association may obtain; (iv) the financial impact on Unit Owners, and the market value of the Units, of any assessment increase needed to fund reserves; and (v) the ability of the Association to obtain financing or refinancing. Notwithstanding the provisions of this Section, the Association may elect to waive in whole or in part the reserve requirements of this Section by a vote of two-thirds (2/3) of the total votes of the Association and with the approval of two-thirds (2/3) of the First Mortgagees. In the event that the Association elects to waive all or part of the reserve requirements of this Section, such fact must be disclosed in the financial statements of the Association, highlighted in bold print, in the response to any request of a prospective purchaser; and no Board member or the managing agent of the Association or the Developer shall be liable, and no cause of action may be brought for damages against any of these parties, for the lack or inadequacy of reserve funds in the Association budget. Contributions by a Unit Owner to any such reserve or fund established by the Board shall be non-transferable and non-refundable. Each Unit Owner shall receive a copy of the

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proposed annual budget at least thirty (30) days prior to the adoption thereof by the Board, together with an indication of which portions are intended for reserves, capital expenditures or payment of real estate taxes. Each purchaser of a Unit from the Developer shall contribute at closing a sum equal to one month's regular assessment to the Association's operating fund and a sum equal to one month's regular assessment to the Association's reserve fund, in addition to any regular and special assessments then in effect.

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 Unit Owner shall pay, as the Unit Owner's respective monthly assessment for the Common Expenses, one twelfth (1/12) of the Unit Owner's proportionate share of the Common Expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with the provisions of Paragraph 13 of the Declaration. 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 Unit Owner shall continue to pay each month the amount of the Unit Owner's respective monthly assessment as last determined. Each Unit Owner shall pay the monthly assessment as may be directed by the Board; provided, however, no Unit Owner shall be responsible for assessments until the Declarant has delivered its first deed to the purchaser of a Unit. No Unit Owner shall be relieved of the obligation to pay this assessment by abandoning or not using his/her Unit, the Common Elements or the Limited Common Elements. Neither the Association nor the Board shall have the power to forbear from collecting assessments from any Unit Owner.

Section 3. Partial Year or Month. For the first fiscal year of the Association, the annual budget shall be as approved by the First Board prior to the conveyance of any Unit by the Declarant to any individual purchaser thereof. If such first fiscal year, or any succeeding fiscal year, is less than a full year, then the monthly assessment for each Unit 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, but in any event within 120 days after the end of such fiscal year, the Board shall cause to be furnished to each Unit Owner an itemized accounting of the Common Expenses actually incurred and paid for the preceding year, together with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit income over expenditures, plus reserves.

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Section 5. Supplemental Assessments.

5(a) Procedure. Except as provided in subsection (d) below, if an adopted budget or any separate assessment by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year 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 Unit Owners with twenty percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board action, shall call a meeting of the Unit Owners within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment. Unless a majority of the total votes of the Unit Owners are cast at the meeting to reject the budget or separate assessment, it is ratified.

5(b) Notice of Meeting. Each Unit Owner shall receive notice, in the same manner as provided for in the Act for membership meetings, of any meeting of the Board concerning the adoption of the proposed annual budget and regular assessments pursuant thereto or to adopt a separate (special) assessment.

5(c) Separate Assessment. Any Common Expense not set forth in the budget or any increase in assessment over the amount adopted in the budget shall be separately assessed against all Unit Owners.

5(d) Emergency Assessment. Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board without being subject to Unit Owner approval or the provisions of Section 5(a) above or Section 5(e) below. As used herein, "emergency" means an immediate danger to the structural integrity of the Common Elements or to the life, health, safety or property of the Unit Owners.

5(e) Additions or Alterations. Assessments for additions and alterations to the Common Elements or to Association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of two-thirds (2/3) of the total votes of all Unit Owners.

5(f) Multi-Year Assessment. The Board may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments not governed by items (d) and (e), the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.

Section 6. Holding of Funds. All funds collected by the Board shall be held and expended for the purposes designated herein, and (except for such special

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assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or unpaid assessments) shall be deemed to be held for the benefit, use and account of all the Units in the percentages set forth in Exhibit B to the Declaration, provided however, that no Unit Owner shall be entitled to withdraw, assign, pledge, transfer or control the amount allocable to his/her Unit. All Association funds shall be deposited in federally insured financial institutions within the coverage limits and conditions of said insurance.

Section 7. Expenditures. The Board shall not approve any expenditure in excess of Five Thousand Dollars (\$5,000.00) unless the Board shall have obtained three (3) competing bids for the subject of the expenditure or shall have obtained approval of a professional consultant as to the acceptability of a proposed vendor or contractor regardless of whether more than one bid had been sought or obtained.

Section 8. Common Expense Obligation

8(a) Duty to Pay Common Expense. It shall be the duty of every Unit Owner to pay his/her proportionate share of the Common Expenses as provided in the Declaration and as assessed in the manner herein provided.

8(b) Lien. If any Unit Owner shall fail or refuse to make any payment of his/her proportionate share of the Common Expenses when due (including, without limitation, any installments accelerated by the Board as it determines in its sole discretion), or the amount of any unpaid fine when due, the amount thereof, together with interest thereon at the highest lawful rate from and after the date said Common Expenses become due and payable, and any late charges, reasonable attorneys' fees incurred enforcing the covenants of the Declaration, By-Laws, rules and regulations of the Board, or any applicable statute or ordinance, and costs of collections, shall constitute a lien as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property, prior to all other liens and encumbrances, recorded or unrecorded, except (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of the State of Illinois and other state or federal taxes which by law are a lien on the interest of such Unit Owner prior to preexisting recorded encumbrances thereon, and (b) encumbrances on the interest of such Unit Owner recorded prior to the date of such failure or refusal, which by law would be a lien thereon prior to subsequently recorded encumbrances. Notwithstanding the preceding sentence, the purchaser of a Unit at a judicial foreclosure sale, or a mortgagee who receives title to a Unit by deed in lieu of foreclosure or judgment by common law strict foreclosure or has a receiver appointed or otherwise takes possession pursuant to court order under the Illinois Mortgage Foreclosure Law, shall have the duty only to pay the Unit's proportionate share of the Common Expenses for the Unit assessed from and after the first day of the month after the date of the judicial

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foreclosure sale, delivery of the deed in lieu of foreclosure, entry of a judgment in common law strict foreclosure, appointment of a receiver, or taking of possession pursuant to such court order. The provisions of this paragraph of this Section 8 shall not be amended, modified or rescinded without the prior written consent of all Lenders who are the holders or owners of a mortgage or trust deed recorded prior to the date of such amendment, modification or rescission.

8(c) Foreclosure of Association Lien/Eviction. The Association or its successors and assigns, or the Board or its agents, 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 Unit Owner shall fail or refuse to pay when due his/her proportionate share of the Common Expenses, and such Unit Owner withholds possession of his/her Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or Association shall have the right to possession of such 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 Act, Article IX of the Code of Civil Procedure, the Declaration or these By-Laws, or as are otherwise provided or permitted at law or in equity, for the collection of all unpaid assessments.

8(d) Procedure to Foreclose Association Lien. Such lien for Common Expenses shall be in favor of the Association and shall be for the benefit of all Unit Owners. Notice of such lien may be recorded by the Board, or if the Developer is the manager or has a majority of seats on the Board and the manager or Board fails to do so, by any Unit Owner. Upon the recording of such notice the lien may be foreclosed by an action brought in the name of the Association in like manner as a mortgage of real property. Unless otherwise provided in the Declaration, the members of the Board and their successors in office, acting on behalf of the other Unit Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Any encumbrancer may from time to time request in writing a written statement from the manager or Board setting forth the unpaid Common Expenses with respect to the Unit covered by its encumbrance and, unless the request shall be complied with within twenty (20) days, all unpaid Common Expenses which become due prior to the date of the making such request shall be subordinate to the lien of such encumbrance. Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit, and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of its encumbrance.

Section 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board,

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may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien.

Section 10. Statement of Account. The Board shall, upon receipt of ten (10) days' prior written notice to the manager or Board, and upon payment of a reasonable fee, as the Board so determines, furnish to any Unit Owner a statement of his/her account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

ARTICLE V

Use and Occupancy Restrictions

Section 1. General. (a) No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which, in the reasonable judgment of the Board, constitutes a nuisance, causes unreasonable noise or disturbance to others, or unreasonably interferes with other Occupants' use of their Units and the Common Elements, including any criminal or illegal activity by any Unit Owner, Occupants or their guests or invitees.

(b) No Occupant shall operate any machines, appliances, electronic devices, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or cause any damage to or overloading of any mechanical, electrical, plumbing, or any other system.

(c) Each Unit Owner shall maintain his/her Unit in good condition and in good order and repair, at the Unit Owner's own expense, and shall not do or allow to be done in his/her Unit or the Common Elements anything which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements, or increase any risk of loss to said Units or the Common Elements.

(d) No Occupant shall display, store or use any articles outside the Unit or which may be visible from the outside of his Unit (other than draperies, curtains or shades of a customary nature and appearance), or paint or decorate or adorn the outside of the Unit, or install outside the Unit any canopy or awning or outside antenna or satellite dish (except as such right is protected by federal law or regulation), fixtures or items of any kind (excepting only such items which are expressly permitted by the Act), without the prior written permission of the Board.

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(e) No Occupant shall display, hang, store or use any sign outside his Unit, in a hallway or elsewhere, or which may be visible from the outside of the Unit without the prior written permission of the Board; except that the Declarant or Developer may post and maintain signs as permitted by the Declaration.

Section 2. Animals. No animals shall be raised, bred or kept in any Unit or elsewhere in the Property for any commercial purpose. The Board may from time to time adopt rules and regulations governing the keeping of pets in the Units (which may include but are not limited to, restrictions on size, weight, breed, type or number of pets), and pets shall be kept in strict accordance with such rules and regulations. Such rules and regulations may prohibit certain pets (including certain breeds of dogs, cats, small birds, and fish) from being kept in the Units. No animal shall be kept in any Unit or elsewhere in the Property if such animal, in the sole judgment of the Board, constitutes a nuisance to others, causes unreasonable noise or disturbance to others, or unreasonably interferes with the use of other Units and/or the Common Elements. Furthermore, no dog or other household pet may be kept in any Unit or elsewhere in the Property unless such dog or other household pet, (a) is retained on a leash and under the control of a responsible individual at all times that such animal is not inside a Unit and (b) does not impose any housekeeping or other maintenance burden upon the Association. Any household pet causing or creating an unreasonable disturbance, nuisance or noise shall be permanently removed from the Unit and Property upon three (3) days' written notice from the Board. The Board shall have the sole discretion to determine whether such a disturbance, nuisance or noise exists.

Section 3. Trash and Recycling. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner in strict accordance with the rules and regulations adopted by the Board from time to time and also with any statute, ordinance or governmental regulation.

Section 4. Storage. Articles of personal property belonging to any Unit Owners, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles shall be stored in the Owner's Unit or portions of the Common Elements designated by the Board for storage. No explosives or hazardous compounds or materials shall be stored on the Property except with prior written approval by the Board.

Section 5. Leases. As long as the Affordability and Resale Restrictions provisions of the Declaration are in effect, no leasing of Units is permitted; thereafter, leasing shall be permitted, if two-thirds (2/3) of the Unit Owners adopt a resolution to that effect at a special meeting called for that purpose, which resolution must be Recorded in order to be effective. The provisions of the Act, the Declaration, the By-Laws, other condominium instruments, and rules and regulations that relate to the

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use of the individual Unit or the Common Elements shall be applicable to any person leasing a Unit and shall be deemed to be incorporated in any lease executed. The Unit Owner leasing the Unit shall deliver a copy of the signed lease to the Board within 10 days after the lease is executed and prior to occupancy. The Association may prohibit a tenant from occupying a Unit until the lessor-Owner complies with the leasing requirements prescribed by this Section or and the provisions of the Declaration, By-Laws, and rules and regulations. In addition to any other remedies, by filing a joint action against the tenant and the Unit Owner, the Association may seek to enjoin a tenant from occupying a Unit or seek to evict a tenant under the provisions of Article IX of the Code of Civil Procedure for failure of the lessor-Owner to comply with the leasing restrictions prescribed by this Section or the Declaration, By-Laws, and rules and regulations. The Board may proceed directly against a tenant, at law or in equity, or under the provisions of Article IX of the Code of Civil Procedure, for any breach by any tenant of any covenants, rules or regulations, or By-Laws.

Section 6. Non-Delegation. A Unit Owner may not assign, delegate, transfer, surrender, or avoid the duties, responsibilities, and liabilities of a Unit Owner under the Act, the Condominium Instruments, or rules and regulations of the Association; and such an attempted assignment, delegation, transfer, surrender, or avoidance shall be deemed void.

Section 7. Disclaimer of Bailee Liability. Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, any Unit Owner, nor the Developer (and their respective successors and assigns) shall be considered a bailee of any personal property stored in the Common Elements, whether or not exclusive possession of any particular areas shall be given to any Unit Owner for storage purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto.

ARTICLE VI Contractual Powers/Conflict of Interest

The Board may not enter into a contract with a current Board member or with a corporation or partnership in which a Board member or a member of the Board member's family has 25% or more interest, unless notice of intent to enter the contract is given to Unit Owners within 20 days after a decision is made to enter into the contract, and the Unit Owners are afforded an opportunity, by filing with the Board a petition signed by 20% of the Unit Owners, for an election to approve or disapprove the contract. Such petition shall be filed within 20 days after such notice, and such election shall be held within 30 days after filing the petition. A "Board member's family" means the Board member's spouse, parent, and children.

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ARTICLE VII Amendments

Subject to the requirements of Article IV, Section 8(b) hereof requiring the consent of certain lienholders under certain circumstances, these By-Laws may be amended, modified or rescinded, from time to time, by means of an amendment of the Declaration, of which these By-Laws constitute a part, in accordance with the Declaration's amendment provision and the Act. These By-Laws may not be amended, modified or rescinded so as to conflict with the provisions of the Act or the provisions of the Declaration.

ARTICLE VIII Indemnification

Section 1. General. The Association shall indemnify and hold harmless each of its Board members and officers, each member of any committee appointed pursuant to these By-Laws, and the Developer, against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such Board members, Board officers, committee members, or Developer, on behalf of the Unit Owners, or arising out of their status as Board members, Board officers, committee members, or Developer, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such Board member, Board officer, committee member, or Developer may be involved by virtue of such persons being or having been such Board member, Board officer, committee member, or Developer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been fully adjudged in such action, suit or proceeding to be liable for gross negligence or actual fraud in the performance of his/her duties as such Board member, Board officer, committee member, or Developer, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or actual fraud in the performance of his/her duties as such Board member, Board officer, committee member, or Developer.

Section 2. Success on Merits. To the extent that the Developer, a Board member, a Board officer or member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article VIII, or in defense of any claim,

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issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection therewith.

Section 3. 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 in the specific case, upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount, unless it shall ultimately be determined that such person or entity is entitled to be indemnified by the Association as authorized in this Article VIII.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Board members, Board officers, members of such committees or Developer, or out of the aforesaid indemnity in favor of the Board members, Board officers, members of such committees, or Developer, shall be limited to such proportion of the total liability thereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the Board members, Board officers, members of such committees or Developer, on behalf of the Unit Owners, shall provide and shall be deemed to provide that the Board members, Board officers, members of such committees or Developer, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his or her percentage interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested Board members or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office. Such right to indemnification for acts performed while acting in such capacity shall continue as to a person or entity who has ceased to be the Developer, Board member, Board officer, or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such person or entity. The Board may obtain such insurance coverages as it deems appropriate to cover some or all of the indemnity obligations set forth in this Article or otherwise available under law.

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ARTICLE IX Additional Powers

In addition to and in furtherance of the powers referred to in these By-Laws, the Association shall have all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Act or the Condominium Instruments. If the Association is not incorporated as an Illinois not-for-profit corporation, it shall also have all powers and responsibilities specified in the "General Not For Profit Corporation of Act 1986," if applicable, which are not inconsistent with the Act or the Condominium Instruments.

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OVERSIZE

Doc#: 0810122007 Fee: \$334.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/10/2008 10:05 AM Pg: 1 of 71

**EXHIBIT
FORWARD
TO PLAT COUNTER
FOR SCANNING**