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AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP FOR EAST 47TH STREET CONDOMINIUM

This Amended and Restated Declaration is made this 31 day of August, 2011 in accordance with the provisions of Article XIX, Section 6 of the Declaration of Condominium Ownership and By-laws, Easements, Restrictions and Covenant – 1040 East 47th Street Condominiums, previously recorded in the Office of the Cook County Recorder of Deeds on October 5, 2007 as Document No. 0727815081 (the "Original Declaration").

RECITALS:

WHEREAS, the Premises legally described in Exhibit A hereto were previously submitted to and made subject to the Original Declaration and the Illinois Condominium Property Act (765 ILCS 605/1 *et. seq*) by 1040 Lofts LLC, beneficiary of that land trust held by Park National Bank, as successor trustee to Cosmopolitan National Bank of Chicago as Trustee under Trust Agreement dated March 9, 1992 and known as Trust Number 29905, as Declarant; and

WHEREAS, the Original Declaration provides the Condominium Association (as hereinafter defined) shall be responsible for the administration of the condominium and the maintenance, repair and replacement of the Common Elements (as hereinafter defined) and that each Owner of a Unit (as hereinafter defined) shall be assessed to pay his proportionate share of the Common Expenses (as hereinafter defined) required to operate the condominium, all as more fully provided for in the Declaration; and

WHEREAS, Declarant, subsequent to the recordation of the Original Declaration, transferred title to portions of the Premises, consisting of Unit 2 North and Assigned Storage Space # 6 and Unit 4 West and Assigned Storage Space # 7 to bona fide purchasers; and

WHEREAS, Great Lakes Bank, N.A., filed a foreclosure complaint in the Circuit Court of Cook

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County, Illinois, seeking to foreclose its security interest in that remaining portion of the Premises owned by the Declarant; and

WHEREAS, Eric Janssen of Chicago Real Estate Resources, Inc. was appointed by the Circuit Court of Cook County to act as receiver for the Premises; and

WHEREAS, Section 6 of Article XIX of the Original Declaration provides that the Declarant reserved to itself the right, without the consent of any Unit Owner or mortgagee of a Unit, while the Association is under Developer Control [such control at a time prior to the election of the Board of Managers provided for in Section 18.2(b) of the Act] to record an amendment to the Declaration provided such amendment does not materially adversely affect the value of any Unit; and

WHEREAS, the election of the Board of Managers for the Association has not yet taken place; and

WHEREAS, Article I of the Original Declaration at (t), in relevant part, provides that 1040 Lofts LLC and any successor or successors to the then existing Declarant's entire remaining interest in the Property (other than the purchaser of an individual Unit) is the Declarant and that any receiver or mortgagee in possession with respect to such entire remaining interest shall be entitled to exercise all rights of Declarant during the period of its receivership or possession as mortgagee in possession, as the case may be; and

WHEREAS, it is in the best interests of the Premises and the Owners (as hereinafter defined) to amend and restate the Original Declaration.

NOW THEREFORE, THE DECLARATION OF CONDOMINIUM OWNERSHIP FOR 1040 EAST 47TH STREET CONDOMINIUM IS HEREBY AMENDED AND RESTATED AS FOLLOWS:

ARTICLE ONE Definitions

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

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

1.02 BOARD: The board of directors of the Condominium Association; as constituted at any time or from time to time.

1.03 BUILDING: The building located on the Premises.

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

1.05 COMMERCIAL UNIT: The Unit comprised of those portions of the Building

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described on the Plat (as hereinafter defined) previously recorded as Page 1 of Document No. 0727815081, recorded October 5, 2007 in the Offices of the Cook County Recorder as (a) Retail Area on the first floor, containing 1,762 square feet and (b) Retail Area on the second floor, containing 599 square feet and collectively designated as the "Commercial Unit".

1.06 COMMON ELEMENTS: All of the Condominium Property, except the Units. Structural components located within the boundaries of a Unit but serving Unit(s) other than the Unit in which they are located shall be part of the Common Elements.

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

1.08 CONDOMINIUM ASSOCIATION OR ASSOCIATION: The association formed or to be formed under Section 4.01 of Article Four as a not-for-profit corporation under the name East 47th Street Condominium Association, 1040 East 47th Street Condominium Association, or a similar name, its successors and assigns.

1.09 COUNTY: Cook County, Illinois.

1.10 DECLARANT: 1040 Lofts LLC, beneficiary of that land trust held by Park National Bank, as successor trustee to Cosmopolitan National Bank of Chicago as Trustee under Trust Agreement dated March 9, 1992 and known as Trust Number 29905, its successors and assigns, and any successor or successors to the then existing Declarant's entire remaining interest in the Property (other than the purchaser of an individual Unit). Any receiver or mortgagee in possession with respect to such entire remaining interest shall be entitled to exercise all rights of Declarant, if any, during the period of its receivership or possession as mortgagee in possession, as the case may be.

1.11 DECLARATION: The Original Declaration, as amended and restated by this instrument with all Exhibits hereto, as further amended or supplemented from time to time.

1.12 DWELLING UNIT: Each Unit which is designated on the Plat (as hereinafter defined) previously recorded as Page 1 of Document No. 0727815081, recorded October 5, 2007 in the Offices of the Cook County Recorder, consisting of Unit 2N, 2W, 3N, 3E, 3W, 4N, 4E, and 4S, each a "Dwelling Unit".

1.13 EXCLUSIVE LIMITED COMMON ELEMENTS: With respect to each Unit, the following Limited Common Elements shall be Exclusive Limited Common Elements:

- (a) Perimeter doors, door frames, windows and window frames which serve the

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Unit;

(b) The interior surface of the perimeter walls, ceilings and floors which define the boundary planes of the Unit;

(c) Any system or component part thereof which serves the Unit exclusively to the extent that such system or component part is located outside the boundaries of the Unit.

In addition, with respect to each Dwelling Unit, the following Limited Common Elements shall be Exclusive Limited Common Elements:

- (d) The Storage Area, if any, assigned to the Dwelling Unit;
- (e) The Parking Space, if any, assigned to the Dwelling Unit; and
- (f) Any deck, patio, terrace or balcony which is adjacent to and exclusively serves the Dwelling Unit.

The Storage Area and/or Parking Space, if any, assigned to a Dwelling Unit shall be appurtenant to that Dwelling Unit and may not be sold, transferred or otherwise disposed of except as part of a sale, transfer or other disposition of the Dwelling Unit to which such Storage Area and/or Parking Space is assigned.

In addition, with respect to the Commercial Unit, the following Limited Common Elements shall be Exclusive Limited Common Elements:

- (a) the Garage; and
- (b) the Parking Space(s), if any, assigned to the Commercial Unit.

1.14 FIRST MORTGAGE: A bona fide first mortgage, first trust deed or equivalent security interest covering a Unit Ownership.

1.15 FIRST MORTGAGEE: The holder of a First Mortgage.

1.16 GARAGE: A portion of the Condominium Property which is delineated and designated on the Plat (as hereinafter defined) previously recorded as Page 1 of Document No. 0727815081, recorded October 5, 2007 in the Offices of the Cook County Recorder as "Garage" which is a Limited Common Area, assigned to the Commercial Unit. No interest in the Garage may be sold, transferred or otherwise disposed of except as part of a sale, transfer or other disposition of the Commercial Unit.

1.17 GARAGE UNIT: INTENTIONALLY OMITTED

1.18 LIMITED COMMON ELEMENTS: A portion or portions of the Common Elements which are designated by this Declaration or the Plat as being a Limited Common Element appurtenant to and for the exclusive use of Owners of one or more, but less than all, of the Units. See Section 1.13 and 1.23 for the definitions of those Limited Common Elements which shall be

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Exclusive Limited Common Elements hereunder.

1.19 MUNICIPALITY: Each or any of the political bodies having authority over the Property, including by way of example the City of Chicago, Illinois, its successors and assigns; Cook County, Illinois, its successors and assigns, and the State of Illinois.

1.20 OCCUPANT. One who occupies a Unit with the permission of the Owner, including, but not limited to a tenant under a lease agreement.

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

1.22 PARCEL: The real estate which is legally described in Exhibit A hereto from time to time, together with all rights appurtenant thereto, as Exhibit A may be supplemented from time to time.

1.23 PARKING SPACE: A portion of the Common Elements which is delineated on the Plat (as hereinafter defined) previously recorded as Page 1 of Document No. 0727815081, recorded October 5, 2007 in the Offices of the Cook County Recorder and designated as a Parking Space intended for the storage of a personal motor vehicle by Owner(s). The Parking Spaces are designated as Exclusive Limited Common Elements assigned to a Unit on Exhibit C and intended for the exclusive use of certain Owners and Occupants of the Unit to which they are assigned. Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, any Unit Owner nor the Declarant shall be considered a bailee of any personal property stored in the Common Elements and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

1.24 PERSON: A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.25 PLAT: The Plat (as hereinafter defined) previously recorded as Page 1 of Document No. 0727815081, recorded October 5, 2007 in the Offices of the Cook County Recorder, as such exhibit may be amended or supplemented from time to time, which set forth the measurements, elevations, and locations of the Condominium Property, the location of the planes which constitute the perimeter boundaries of each Unit, a distinguishing number or other symbol to identify each Unit and such other data as may be required by the Act or this Declaration.

1.26 PROPERTY OR CONDOMINIUM PROPERTY: All the land, property, and space comprising the Parcel, all improvements and structures erected, constructed or contained therein, thereon or thereunder, and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners, previously, hereby or hereafter submitted and subjected to the provisions of this Declaration and the Act as part of the Condominium Property.

1.27 RECORD: To record with the Recorder of Deeds of the County.

1.28 RESIDENT: An individual who resides in a Dwelling Unit and who is either an

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Owner, a tenant of the Owner, a contract purchaser of the Dwelling Unit, or a relative of any such Owner, tenant or contract purchaser.

1.29 STORAGE AREA: A portion of the Common Elements which is delineated on the Plat and designated as a Storage Area intended for the storage of personal property by Owner(s). The Storage Areas are designated as Limited Common Elements assigned to a Dwelling Unit on Exhibit C and intended for the exclusive use of certain Owners and Occupants of the Unit to which they are assigned. Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, any Unit Owner nor the Declarant shall be considered a bailee of any personal property stored in the Common Elements and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

1.30 TURNOVER DATE: The date on which any one of the following shall first occur:

- (a) Sixty (60) days after Declarant has sold 75% of the number of Units to purchasers for value;
- (b) The expiration of three (3) years from the date of the Recording of this Amended and Restated Declaration;
- (c) The date designated in written notice from the Declarant to all of the Owners as being the Turnover Date;
- (d) The date which control of the Condominium Association must be turned over to the Owners as required under the Act.

1.31 UNDIVIDED INTEREST: The percentage of ownership interest in the Common Elements appurtenant to a Unit as herein and hereafter allocated on Exhibit D hereto, as Exhibit D may be amended from time to time.

1.32 UNIT: A part of the Condominium Property designed or intended for independent use and having lawful access to a public way. Each Unit shall consist of the space enclosed and bounded by the planes constituting the boundaries of such Unit as shown on the Plat and the fixtures and improvements located wholly within such boundaries which serve such Unit exclusively. A Unit shall be a Commercial Unit or a Dwelling Unit. A Unit shall not include the following, wherever located:

- (a) any structural components of the Condominium Property; or
- (b) any component of a system which serves more than one Unit where such component is an integral part of such system and is not intended to serve the Unit exclusively.

Each Unit is identified on the Plat by a distinguishing number or other symbol. The legal description of each Unit shall refer to such identifying number or symbol and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. There shall be two types of Units: Commercial Units and Dwelling Units.

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1.33 UNIT OWNERSHIP: A part of the Condominium Property consisting of one Unit and its Undivided Interest.

1.34 VOTING MEMBER. The individual who shall be entitled to vote in person or by proxy at meetings of the Owners, as more fully set forth in Article Four.

ARTICLE TWO

Scope of Declaration and Certain Property Rights

2.01 REAL ESTATE SUBJECT TO DECLARATION: Declarant, as the owner of fee simple title to the Parcel and Property, expressly intends to and, by Recording the Declaration, subjected and submitted the Parcel and Property to the provisions of the Act and the Declaration, as amended and restated herein.

2.02 CONVEYANCES SUBJECT TO DECLARATION: All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any Person having at any time any interest or estate in the Condominium Property, and their respective heirs, successors, personal representatives or assigns, regardless of whether the deed or other instrument which creates or conveys the interest makes reference to this Declaration.

2.03 ENCROACHMENTS: In the event that, by reason of the construction, repair, reconstruction, settlement or shifting of the Condominium Property or any part thereof, (i) any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or (ii) any part of any Unit encroaches or shall hereafter encroach upon any part of any other Dwelling Unit or the Common Elements, or (iii) by reason of the design or construction of utility and ventilation systems, any mains, pipes, condensers, ducts or conduits serving more than one Unit or serving the Common Elements encroach or hereafter encroach upon any part of any Unit, or the Limited Common Elements which serve any Unit, or (iv) by reason of the design or construction of any Unit, it shall be necessary or advantageous to a Unit Owner to use or occupy any portion of the Common Elements for any reasonable use appurtenant to such Unit, which will not unreasonably interfere with the use or enjoyment of the Common Elements by any other Unit Owner, then, in any such case; there shall be deemed to be an easement in favor of the Owners for the maintenance and use of any of the Common Elements which may encroach upon a Unit and there shall be deemed to be an easement in favor of any Owner for the exclusive use of any part of his Dwelling Unit which shall encroach upon the Common Elements or any other Unit; provided, however, that at all times Unit Owner and Occupants shall have reasonable access to, enjoyment of and use of their respective Unit(s) and Limited Common Elements and the respective Unit Owner(s) of the encroaching Unit(s) shall take reasonable steps to have the applicable encroachment cause as little inconvenience to the other Unit Owners and Occupants as is reasonably possible under the circumstances. Notwithstanding the foregoing, in no event shall an easement for any encroachment be created in favor of any Owner if such encroachment occurred due to the intentional, willful or negligent conduct of such Owner or his agent.

2.04 OWNERSHIP OF COMMON ELEMENTS: Each Owner shall own an undivided

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interest in the Common Elements as a tenant in common with all the other Owners. Each Unit's corresponding percentage of ownership in the Common Elements (Undivided Interest) has been determined by Declarant as required under the Act to be as set forth in Exhibit D attached hereto. Exhibit D may not be changed without unanimous written approval of all Owners and all First Mortgagees; except as hereinafter provided in Section 5.06 or 5.07, Article Eight or as permitted under the Act. No Owner shall execute any deed, mortgage, lease or other instrument affecting title to its Unit without including therein both its interest in the Unit and its 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, sublease, assignment or other instrument purporting to affect the one without also including the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein. The Common Elements shall remain undivided and no Owner shall bring any action for partition.

2.05 OWNERS' RIGHTS TO USE THE COMMON ELEMENTS:

(a) Each Owner, in common with other Owners, shall have the right to the nonexclusive use of the Limited Common Elements which serve his Unit and the Units of such other Owners. Without limiting the foregoing, each Owner shall have the right to use the Common Elements (except the Limited Common Elements or portions occupied pursuant to leases, licenses or concessions made by the Board) in common with all other Owners, as may be required for ingress and egress to and from his respective Unit, Parking Space and Storage Space; and for such other purposes not prohibited hereunder.

(b) Each Owner shall have the right to the exclusive use and possession of the Exclusive Limited Common Elements which serve his Unit and the Limited Common Elements which are appurtenant to and serve only his Unit. Balconies may only be used for outdoor patio and similar purposes for which balconies, roof decks and porches in and on residential building are customarily designed and used. The use, improvement, alteration or modification of the Balconies is subject to the rules and regulations which the Declarant or the Board may prescribe from time to time.

(c) The rights to use and possess the Common Elements, including the Limited Common Elements, as herein provided, shall extend to each Owner, and the agents, servants, tenants, and invitees of each Owner and such rights and easements shall be appurtenant to and run with title to the fee interest in such Unit, shall not be separated from such Unit and shall be subject to and governed by the provisions of the Act, this Declaration, the By-Laws, and the reasonable rules and regulations of the Board.

2.06 LEASE OF COMMON ELEMENTS: The Board shall have the right and authority, subject to the provisions of this Declaration and the By-Laws, to lease or grant licenses or concessions with regard to parts of the Common Elements (other than Limited Common Elements). The rental, fees and terms of any such lease, license or concession shall be determined by the Board and any and all proceeds therefrom shall be used to pay the Common Expenses and shall be taken into account in the preparation of the annual budget.

2.07 ACCESS EASEMENTS. Each Owner of a Unit shall have a non-exclusive easement for vehicular and pedestrian access over and across driveways and walkways from time to time

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located on the Condominium Property, including, without limitation, those driveways and walkways which provide access to public ways. The County; the City of Chicago, and any other governmental authority which has jurisdiction over the Premises or which undertakes to provide services to the Premises are hereby granted and reserved access easements for ingress and egress to, over and across the Condominium Property for the purpose of providing any such services.

2.08 UTILITY EASEMENT. All public utilities serving the Condominium Property are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Condominium Property for the purpose of providing utility services to the Premises.

2.09 ADDITIONAL EASEMENTS: A blanket easement over the Property is hereby granted in favor of the Association for the purpose of exercising its rights and performing its duties under this Declaration. By way of example and not limitation, the Board, on behalf of all of the Owners, shall have the right and power (a) to grant such easements with respect to the Common Elements (except the Limited Common Elements) as the Board deems necessary and proper, including, without limitation, access easements for emergency and service vehicles operated by any governmental authority or private enterprise and/or easements related to the installation and operation of cable or satellite televisions system or other communication systems and/or (b) to agree to cancel, alter, change or modify any easement which affects the Condominium Property and does not benefit an Owner; as the Board shall, in its discretion, determine. Each Person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Unit Ownership, shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Condominium Association and duly recorded. All easements and rights described herein are easements and rights running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon the Declarant, its successors and assigns, and any Owner, purchaser, mortgagee or other person having an interest in the Property, or any part of portion thereof.

2.10 BOARD'S RIGHT OF ENTRY: The Board or its agents, upon reasonable notice or, in the case of an emergency; without notice, shall have the right to enter any Unit, including any of the appurtenant Limited Common Elements, when necessary in exercise of its authority under Section 3.02, or in connection with any maintenance; repair and replacement for which the Board is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board, as a Common Expense.

2.11 SEPARATE MORTGAGES: Each Owner shall have the right; subject to the provisions herein, to make a separate mortgage or encumbrance or other lien on his respective Unit Ownership. No Owner shall have the right or authority to make or create, or to cause to be made or created, any mortgage or encumbrance or other lien on or affecting the Condominium Property or any part thereof, except only to the extent of his Unit Ownership.

2.12 REAL ESTATE TAXES: It is understood that real estate taxes are to be separate taxed to each Owner for its Unit and its corresponding percentage of ownership in the Common

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Elements, as provided in the Act. In the event that a real estate tax bill is issued for a particular year (the "Tax Year") with respect to portions of the Premises which, as of December 31 of the Tax Year, consisted of (i) more than one Unit, and/or (ii) Common Elements and no Units, then the following provisions shall apply:

(a) The Condominium Association shall use its best efforts to collect amounts due hereunder prior to the due date of the installments of the tax bill for the Tax Year; provided; that, if insufficient funds are received from the Owners and the Declarant to pay the portion of the bill allocated to the Condominium Property, the Condominium Association shall advance the difference. Any amounts due from an Owner to the Condominium Association under this Section shall be a charge hereunder and, if not paid when due, the Condominium Association shall have all remedies provided for in Section 6.01 and Article Seven hereof.

(b) The Condominium Association shall have the right and power to engage the services of a real estate tax consultant, an attorney and/or an accountant to assist the Condominium Association in determining the amounts due from each Owner and the Declarant with respect to a tax bill hereunder, to challenge the real estate tax assessments or bills, or to collect amounts due hereunder from an Owner. The fees for such services shall be Common Expenses hereunder.

2.13 LEASE OF UNITS:

(a) Any Owner holding title to a Dwelling Unit prior to the adoption and recordation of this Amended and Restated Declaration shall have the right to lease all (but not less than all) of the Owner's Dwelling Unit, provided that no Dwelling Unit shall be leased for hotel or transient purposes. Any Owner acquiring title to a Dwelling Unit from and after the adoption and recordation of this Amended and Restated Declaration may lease all (but not less than all) of the Owner's Dwelling Unit, provided that no Dwelling Unit shall be leased for hotel or transient purposes; and that any lease entered into by any Owner acquiring title to a Dwelling Unit from and after the adoption and recordation of this Amended and Restated Declaration must be for a period of six (6) months or more. Leasing of Dwelling Units shall be subject to such rules and regulations as may be adopted by the Board, including, by way of description and not limitation, a rule limiting the number of Dwelling Units that may be leased at any one time.

(b) Subject to the rules and regulations adopted by the Board, an Owner may lease any portion or all of a Commercial Unit owned by the Owner on such terms as the Owner deems appropriate.

(c) Any lease of a Unit shall be in writing and shall provide that such lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease. A lessee shall be bound by the provisions hereof regardless of whether the lease specifically refers to this Declaration.

(d) The provisions of the Act, this Declaration and the rules and regulations that relate to the use of an individual Unit or the Common Elements shall be applicable to any Person occupying or leasing a Unit from a Unit Owner and shall be deemed to be incorporated in any agreement or lease entered into and/or executed in connection with a Unit. The Board may

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proceed directly against any such tenant (Occupant) at law or in equity, or under the provisions of Article IX of the Illinois Code of Civil Procedure, for any breach by a tenant of the Act or any covenants, rules, regulations or by laws, without excluding any other rights or remedies.

2.14 STORAGE AREAS: The Storage Areas shall be assigned to Units on Exhibit C. Each Storage Area which is assigned to a Unit shall be an Exclusive Limited Common Element. The use of Storage Areas shall at all times be subject to reasonable rules and regulations adopted from time to time by the Board.

ARTICLE THREE

Use, Occupancy and Maintenance of the Property

3.01 USE, MAINTENANCE, REPAIR AND REPLACEMENT OF COMMON ELEMENTS:

(a) No waste shall be committed in the Common Elements. No Owner shall overload the systems or structural components of the Property or operate any machines, appliances, accessories or equipment in such a manner as to cause, in the judgment of the board, an unreasonable disturbance to others. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior written consent of the Board except as herein expressly provided. There shall be no parking or storage of any personal property, including, without limitation, any baby carriages, playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the Common Elements except as expressly provided herein.

(b) Except as otherwise specifically provided in this Declaration, decorating, maintenance, repair and replacement of the Common Elements shall be furnished by the Association as part of the Common Expenses. In addition, the Condominium Association shall maintain the roof, elevators and related equipment, sewer liners, water lines, air conditioning system, gas piping and other utility lines and operating systems which serve the Building and the cost thereof shall be a Common Expense.

(c) With respect to a particular category or class of Limited Common Elements (other than the Exclusive Limited Common Elements appurtenant to a Unit), instead of furnishing the maintenance, repair or replacement of such category or class of Limited Common Elements as a Common Expense, the Board may, in its discretion, (i) require each Owner to furnish such services to the Limited Common Elements which are appurtenant to his Unit at his own expense, or (ii) furnish such services to the Limited Common Elements but assess the cost thereof directly to the Owners of Units benefited thereby on the basis of Undivided Interests, in equal shares or such other reasonable basis as the Board shall deem appropriate.

3.02 MAINTENANCE REPAIR AND REPLACEMENT OF UNITS AND EXCLUSIVE LIMITED COMMON ELEMENTS.

(a) Each Owner shall furnish and be responsible, at his expense, for all of the maintenance; repairs and replacements within his Unit and the Exclusive Limited Common Elements appurtenant to his Unit and shall keep them in good condition and repair. The Board

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may, in its discretion, cause maintenance services to be performed within a Unit or to the Exclusive Limited Common Elements appurtenant thereto upon the request of an Owner and may charge a reasonable fee for such services. Without limiting the foregoing; to the extent that insurance carried by the Condominium Association covers damage to a Unit or the Exclusive Limited Common Elements appurtenant thereto (including, without limitation, broken windows, or perimeter doors), the Condominium Association shall make any insurance proceeds received by the Condominium Association as a result of any such damage available to the Owner to pay for or reimburse the Owner for payment of the cost of repairing the damage.

(b) Whenever the Board shall determine, in its discretion, that any maintenance, repair, or replacement of any Unit or the Exclusive Limited Common Elements is necessary to protect the Common Elements or any other portion of the Condominium Property (i) if such work is made necessary through the fault of the Owner, then the Board may direct the Owner thereof to perform such maintenance, repair, or replacement and pay the cost thereof to the extent not covered by insurance, if any, carried by the Condominium Association, including, without limitation; the deductible amount under any applicable insurance policy, or (ii) if such work is made necessary through no fault of the Owner, then the Board may cause the work to be done and may, in its discretion, assess the cost thereof directly to the Owners of the Units, or Exclusive Limited Common Elements appurtenant thereto, with respect to which the work is done on the basis of Undivided Interests, equal shares or such other reasonable basis as the Board shall deem appropriate, if an Owner fails or refuses to perform any such maintenance, repair, or replacement within a reasonable time after being so directed by the Board pursuant to the preceding sentence, then the Board may cause such maintenance, repair, or replacement to be performed at the expense of such Owner. The determination of whether or not the work is made necessary through the fault of the Owner shall be made by the Board and such determination shall be final and binding. Nothing herein contained shall be construed to impose a contractual liability upon the Association for the maintenance, repair, and replacement of the Common Elements or the Units or any portion or parts thereof, but the Association's liability shall be limited to damages resulting from negligence. In addition, and notwithstanding anything hereinabove to the contrary, no Unit Owner shall have a claim against the Board or Association or the Declarant for any work ordinarily the responsibility of the Board or Association, but which the Owner himself has performed or paid for, unless the same shall have been agreed to in advance and in writing by the Board or Association or Declarant.

3.03 ADDITIONS, ALTERATIONS OR IMPROVEMENTS:

(a) The Board may authorize and charge as a Common Expense (or in the case of Limited Common Elements may charge the Owners benefited thereby) any additions alterations, or improvements to the Common Elements. Subject to the provisions of Section 6.06, the cost of any such work to the Common Elements may be paid out of a special assessment.

(b) Without the prior written consent of the Board, an Owner shall not (x) make any additions, alterations or improvements (including, without limitation, installation of storm windows, storm doors, plantings, landscaping, or painting, staining, or changes to the color of exterior surfaces of the Building or any deck, patio, terrace or balcony) to any part of the Common Elements which is visible from outside of the Unit or (y) make any additions, alterations or improvements to his Unit or to the Exclusive Limited Common Elements appurtenant thereto where such work, alters the structure of the Unit or increases the cost of

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insurance required to be carried by the Association hereunder. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by an Owner (i) upon the Owner's agreement that any addition alteration or improvement will be substantially similar in quality of construction and design to any similar addition, alteration or improvement then on the Condominium Property and (ii) upon Owner's agreement either (A) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (B) to pay to the Condominium Association from time to time the additional cost of maintenance and/or insurance as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by an Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions:

(1) Require the Owner to remove the addition, alteration or improvement and restore the Condominium Property to its original condition, all at the Owner's expense; or

(2) if the Owner refuses or fails to properly perform the work: required under (1), then, subject to the provisions of Section 7.0.1, the Board may cause such work to be done and may charge the Owner for the cost thereof as determined by the Board; or

(3) Ratify the action taken by the Owner, and the Board may (but shall not be required to) condition such ratification upon the satisfaction of conditions which it may impose upon the giving of its prior consent under this Section.

(c) That part of the Common Elements separating any two or more adjoining Dwelling Units which are owned by the same Owner, including without limitation, walls separating said Units and hallways serving only said Units may be altered, moved or made part of said Units to afford ingress and egress to and from such adjoining Units, and new walls obstructing such hallways may be added to the Common Elements; provided, however, that:

(1) such alteration or removal shall not impair or weaken the structural integrity of any Unit or any portion of the Common elements or adversely affect any systems serving any other Unit or any portion of the Common Elements;

(2) the Owner shall furnish to the Board not less than thirty (30) days prior to the date the Owner desires to commence such work all plans detailing the work to be done;

(3) the board consents to the performance of such work and grants permission to the Owner to use such Common Elements as Limited Common Elements;

(4) the expense of such alterations shall be paid in full by the Owner making such alterations;

(5) such Owner shall pay in full the expense of restoring such Common Elements to their former condition prior to such alterations in the event such Units cease to be used together; and

(6) such work shall otherwise be performed subject to and in compliance with the terms and conditions and in such manner and upon such conditions as shall be determined

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by the Board and provided to the Owner, in writing.

3.04 DAMAGE CAUSED BY OWNER: If, due to the act of or the neglect of an Owner or occupant of a Unit or a guest; invitee or pet of an Owner or occupant, damage shall be caused to a part of the Condominium Property and maintenance; repairs or replacements shall be required which would otherwise be a Common Expense, then the Owner shall pay for such damage and such maintenance, repairs, and replacements; as may be determined by the Board, to the extent not covered by insurance; if any, carried by the Condominium Association, including, without limitation, the deductible amount under any applicable insurance policy.

3.05 USE RESTRICTIONS: No use of a Unit shall be conducted, maintained or permitted to the extent same is in violation of the uses permitted hereunder or under applicable laws, statutes, codes, regulations or ordinances governing the Property from time to time (including, without limitation, the relevant provisions of the zoning ordinance for the municipality within which the Property is located).

(a) Each Dwelling Unit shall be used only as a residence. However, no Resident shall be precluded with respect to his Dwelling Unit, from (i) maintaining a personal professional library, (ii) keeping his personal business records or accounts therein, (iii) handling his personal business or professional calls or correspondence therefrom; (iv) maintaining a computer or other office equipment within his Dwelling Unit or (v) utilizing secretarial help and having occasional business visitors. such uses are expressly declared customarily incident to the principal residential use and not in violation of this Article.

(b) Each Parking Space shall only be used to park one (1) operable automobile.

(c) The Commercial Unit shall be used only for such commercial uses as are not prohibited under the rules and regulations adopted by the Board, applicable ordinances or regulations of the City of Chicago, the County of Cook and/or the State of Illinois or any other governing authority having jurisdiction over the Property.

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

3.07 USE AFFECTING INSURANCE: If in the Judgment of the Board the use or contents of a Unit causes an increase in any insurance premium required to be obtained by the Condominium Association, the Board may require the Owner to pay the amount of the increase. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Condominium Property, or contents thereof, or which would be in violation of any applicable law, ordinance or regulation.

3.08 SIGNS: No "For Sale", "For Rent" or any other sign of any kind or other form of solicitation or advertising or window display shall be maintained or permitted on the Condominium Property unless approved, in writing, by the Board; provided, however, that,

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subject to applicable ordinances of the Municipality, signage relating to the business conducted within the Commercial Unit may be placed in the windows of the Commercial Unit or on the exterior of the building adjacent to the Commercial Unit at such locations as the Board may approve, which approval shall not be unreasonably withheld or delayed.

3.09 ANIMALS: No animals, including, but not limited to reptiles, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements. No more than two (2) pets (consisting of dogs, cats or other reasonable and customary household pets) may be kept in any Dwelling Unit. Each Unit Owner and each Occupant shall be responsible for picking up after any pet kept in such Unit Owner's or Occupant's respective Unit, including, without limitation, removing any waste deposited by such animal anywhere on the Common Elements or anywhere on the Property. No pet may be kept or raised for commercial purposes. The Board may from time to time adopt rules and regulations governing the keeping of pets in the Dwelling Units. Such rules and regulations may limit the number of pets, prohibit certain species of pets or pets of more than a specified weight from being kept in the Dwelling Units. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from a Unit upon ten (10) days written notice from the Board to the Owner of the Unit containing such pet, and the decision of the Board shall be final. For purposes hereof, a "pet" is a domesticated animal kept for pleasure rather than utility.

3.10 ANTENNAE: Subject to applicable federal, state and local laws, ordinances and regulations, no mast, satellite dish, antenna or other structure for transmitting or receiving messages or programs by radio or television shall be erected, permitted or maintained in or upon any part of the exterior of the Condominium Property without the prior written approval of the Board.

3.11 OTHER STRUCTURES: No structure of a temporary character, including, without limitation, a trailer, recreational vehicle, mobile home; tent, solarium, greenhouse, shack or other out building shall be used, stored or maintained anywhere in or on the Common Elements either temporarily or permanently, except as expressly approved, in writing, by the Board.

3.12 STRUCTURAL IMPAIRMENT: Nothing shall be done in, on or to any part of the Condominium Property which would impair the structural integrity of the Building or other permitted structure located on the Condominium Property.

3.13 PROSCRIBED ACTIVITIES: No noxious or offensive activity shall be carried on in any Unit or in the Common Elements and nothing shall be done in the Condominium Property, either willfully or negligently which may be or become an annoyance or nuisance to the Owners or occupants of the Units, provided, however, that the conduct of commercial activities in the Commercial Unit which are not prohibited under applicable ordinances or regulations of the Municipality or in violation of any rule or regulation adopted by the Board shall not be deemed to be a violation of this Section or a nuisance or annoyance hereunder.

3.14 UNSIGHTLINESS. No Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles (including, without limitation, signage) outside his Unit (including, without limitation on any Balcony appurtenant to such Unit), or which may be visible from the outside of his Unit (other than draperies, curtains or shades of a customary nature and appearance, subject to the rules and regulations of the Board) or paint or decorate or adorn the

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outside of his Unit, without the prior written permission of the Board or the managing agent, acting in accordance with the Board's direction. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Board.

3.15 RULES AND REGULATIONS:

(a) The use and enjoyment of the Condominium Property shall be subject to reasonable rules and regulations duly adopted by the Board from time to time; provided that prior to adoption of any such rules, a meeting of the Board or Owners (if required by the Act) shall first be held to discuss the proposed rules and all Owners shall be furnished with a copy of the proposed rule and notice of the meeting as required by the Act.

(b) Without limiting the foregoing, the Board may levy a reasonable charge upon the Owners for a violation of a rule or regulation, in accordance with the procedures set forth in Section 7.05.

3.16 CERTAIN UTILITY COSTS:

(a) Certain utility costs incurred in connection with the use, operation and maintenance of the Common Elements may not be separately metered and billed to the Association. If the charges for any such utilities are metered to individual Units rather than being separately metered for the Common Elements, then the following shall apply:

(i) If in the opinion of the Board, each Owner is sharing in a fair and equitable manner the cost for such service, then no adjustment shall be made and each Owner shall pay his own bill; or

(ii) If in the opinion of the Board, the Owner of a Unit is being billed disproportionately for costs allocable to the Common Elements; then the Association shall, pay, or reimburse such Owner, an amount equal to the portion of the costs which, in the reasonable determination of the Board, is properly allocable to the Common Elements and the amount thereof shall be Common Expenses hereunder.

(b) Certain utility costs incurred in connection with the entire Building may be metered or billed to the Association. If this occurs, then the Association shall pay such costs as a Common Expense.

3.17 ALTERATIONS, ADDITIONS OR IMPROVEMENTS: Except as otherwise provided herein, no alterations, additions or improvements shall be made by an Owner to any part of the Common Elements (including the Limited Common Elements) and no additions, alterations or improvements shall be made by an Owner to its Unit where such work alters the wall or partition configuration, ceiling, perimeter doors or windows; floor load or otherwise affects the structure of the Unit, the structural integrity or utility of mechanical systems of the Building or increase the cost of insurance required to be carried by the Board hereunder without the prior written consent of the Board, and then only in accordance with the rules and regulations of the Board. Any addition, alteration of or improvement to a Unit by the Unit Owner which shall affect the structure of the Unit or the Common Elements or shall affect the structural

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integrity or utility or mechanical systems of the Building shall further conform with structural or engineering drawings prepared or reviewed and approved by an architectural or engineering firm acceptable to the Board. The cost of such drawings or review shall be paid by the Owner.

3.18 FLOOR COVERING/NOISE TRANSMISSION: An Owner who desires to install or replace flooring in his or her Dwelling Unit must first apply for and receive approval from the Board. The Board may from time to time adopt rules and regulations governing the installation or replacement of floor covering, including, without limitation noise transmission standards.

3.19 WINDOW TREATMENT: In order to achieve uniformity in the exterior appearance of the Property and the Building; the Board may adopt rules and regulations regarding window coverings visible from the exterior of the Building, including by way of description only, shades, draperies, curtains or blinds.

3.20 SPECIAL SERVICES: Any Board may furnish to an Owner or Owners special services relating to the use and occupancy of a Unit or Units and may charge the cost of providing such services to the Owner or Owners who benefit from the service. Without limiting the foregoing, the Condominium Association may contract with a provider of a special service, such as satellite TV service, cable TV service, internet access or other similar service either make such service available to all Dwelling Units or offer such service to each of the Owners on a voluntary basis. The Board may charge the Owner of each Dwelling Unit which receives any such service for the reasonable cost of providing such service; which may be allocated in equal shares for each of the Dwelling Units which is served, on the basis of Undivided Interests or on such other reasonable basis as the Board may deem appropriate. Any amount charged to a Owner for services furnished pursuant to this Section shall be due and payable at such time or times as designated by the Board and failure to pay any such amount shall give rise to a lien provided for in Section 6.01.

ARTICLE FOUR

The Condominium Association

4.01 THE CONDOMINIUM ASSOCIATION: Declarant has or shall cause the Condominium Association to be incorporated as a not-for-profit corporation. The Association is responsible for the overall administration of the Property through its duly elected Board of Managers (Directors). The duties and powers of the Association and its Board shall be those set forth in its Articles of Incorporation, the By-Laws, the Act and this Declaration; provided, however, that (i) the terms and provision of the Act shall control in the event of an inconsistency between the Act, on one hand and this Declaration, the Articles of Incorporation, and/or the By-laws on the other hand and (ii) the terms and provisions of this Declaration shall control in the event of an inconsistency between this Declaration, on the one hand, and the Articles of Incorporation on the other hand. All agreements and determinations lawfully made by the Condominium Association shall be deemed to be binding on all Owners and their respective successors and assigns. In the event of any dispute or disagreement between any Owners relating to the Property, or any question of interpretation or application of the provisions of this Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all of such Owners.

4.02 MEMBERSHIP:

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(a) There shall be only one class of membership in the Condominium Association. The Owner of each Unit shall be a member of the Condominium Association. There shall be one membership per Unit Ownership. Membership shall be appurtenant to and may not be separated from ownership of a Unit. Ownership of a Unit shall be the sole qualification for membership. The Condominium Association shall be given written notice of a proposed change of ownership of a Unit within ten (10) days prior to such change.

(b) One individual shall be designated as the "Voting Member" for each Unit Ownership. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners.

4.03 THE BOARD: From and after the Turnover Date, the Board shall consist of the number of individuals provided for in Section 5.01 of the By-Laws, each of whom shall be an Owner or a Voting Member. The Board shall be elected at each annual meeting of the Owners as provided in the By-Laws.

4.04 VOTING RIGHTS: Whenever a vote of the Owners of the Condominium Association is required, at any meeting of such Owners or otherwise, such votes shall be cast by the Voting Members or their proxies; provided that a contract purchaser of a Unit from a contract seller other than the Declarant, shall have the right to vote for directors of the Condominium Association after the Turnover Date unless such contract seller expressly retains such right in writing. Except as otherwise specifically provided under the Act; this Declaration or the By-Laws, each Voting Member shall have a vote equal to the Undivided Interest assigned to each Unit which he or she represents.

4.05 MANAGING AGENT: The term of any management agreement covering the management of the Condominium Property entered into prior to the Turnover Date shall not exceed two years, and shall be terminable for cause by the Condominium Association on thirty (30) days written notice and without cause or payment of a termination fee by either party on ninety (90) days' written notice.

4.06 DIRECTOR AND OFFICER LIABILITY: None of the directors or officers of the Condominium Association, whether elected by the Owners or designated by the Declarant, shall be personally liable to the Owners or the Condominium Association for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors or officers, except for any acts or omissions found by a court to constitute criminal conduct, gross negligence, bad faith or other breach of fiduciary duty or fraud. The Condominium Association shall indemnify and hold harmless each of the directors and each of the officers, his heirs, executors or administrators, against all contractual and other liabilities to the Condominium Association, the Owners or to others arising out of contracts made by or other acts of the directors and the officers on behalf of the Owners or the Condominium Association or arising out of their status as directors or officers unless any such contract or act shall have been made criminally, fraudulently, in bad faith or with gross negligence or other breach of fiduciary duty. 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) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding; whether civil, administrative; or other, in which a director or officer may be

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involved by virtue of such person being or having been a director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence, bad faith or other breach of fiduciary duty or fraud in the performance of his duties as a director or officer, or (ii) 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 person being adjudged liable for criminal conduct, gross negligence, bad faith or other breach of fiduciary duty or fraud in the performance of his duties as a director or officer.

4.07 LITIGATION: No judicial or administrative proceedings shall be commenced or prosecuted by the Condominium Association without first holding a: special meeting of the members and obtaining the affirmative vote of Voting Members representing at least seventy five percent (75%) of the Units, by number, prior to the commencement and prosecution of the proposed action. This Section shall not apply to (a) actions brought by the Condominium Association to enforce the provisions of this Declaration, the By-Laws or rules and regulations adopted by the Board (including, without limitation, an action to recover unpaid assessments or other charges or to foreclose a lien for unpaid assessments or other charges) or (b) counterclaims brought by the Condominium Association in proceedings instituted against it.

ARTICLE FIVE Insurance/Condemnation

5.01 HAZARD INSURANCE: The Board shall have the authority to and shall obtain and maintain a policy or policies of insurance insuring the Property against loss or damage from fire, lightning and other hazards contained in the customary fire and extended coverage insurance policy, with vandalism and malicious mischief endorsements, for the full insurable replacement cost of the Property. The full insurable replacement cost of the Property (excluding and Improvements and Betterments, as hereinafter defined) shall be determined from time to time by the Board. The Board shall, in its discretion, have the authority to obtain an appraisal of the Property by a reputable appraisal company as selected by the Board. The cost of such an appraisal shall be a Common Expense. Anything herein to the contrary notwithstanding, unless otherwise determined by the Board or required by the Act, the insurance obtained by the Condominium Association shall only cover restoration of a Unit to the condition the Unit would have been in if the Unit were decorated and finished with the floor, wall and ceiling coverings, decorating, fixtures and furnishings which were originally offered by the Declarant as part of the base purchase price for the Unit ("Standard Items") and shall not include any Improvements and Betterments. For purposes hereof "Improvements and Betterments" are hereby defined to consist of and include any decorating, fixtures and furnishings installed or added to and located within the boundaries of the Unit, including, without limitation; electrical fixtures; appliances, air conditioning and heating equipment, water heaters or built-in cabinets, where such items were installed by, or at the request of, the Owner of the Unit in addition to, or as an upgrade from, the Standard Items; however, Improvements and Betterments shall not be deemed to include the replacement of a Standard Item which is of comparable quality to the Standard Item which was replaced. Premiums for such insurance shall be Common Expenses. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to the Board as trustee for each of the Owners in accordance with their Undivided Interests. All such policies of insurance (i) shall contain standard mortgage

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clause endorsements in favor of the First Mortgagees as their respective interests may appear, (ii) shall provide that the insurance, as to the interests of the Board, shall not be invalidated by any act or neglect of any Owner, (iii) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement thereof, such option shall not be exercisable if the Owners elect to sell the Condominium Property or remove the Condominium Property from the provisions of the Act, (iv) to the extent possible, shall provide that such policy shall not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' written notice to the First Mortgagee of each Unit Ownership, (v) shall contain waivers of subrogation with respect to the Condominium Association and its directors, officers, employees and agents (including the managing agent), Owners, occupants of the Unit, First Mortgagees, the Declarant and shall name all such parties as additional insured parties as their interests may appear, and (vi) shall comply with applicable requirements of the Act and of Fannie Mae.

5.02 INSURANCE TRUSTEE/USE OF PROCEEDS: The Board may engage the services of any bank or trust company authorized to do trust business in Illinois to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of the Act and this Declaration. The fees of such corporate trustee shall be Common Expenses. In the event of any loss in excess of \$100,000.00 in the aggregate, the Board shall engage a corporate trustee as aforesaid. In the event of any loss resulting in the destruction of the major portion of one or more Units, the Board shall engage a corporate trustee as aforesaid upon the written demand of the First Mortgagee or any Owner of any Unit so destroyed. The rights of First Mortgagees under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions in the Act and this Declaration with respect to the application of insurance proceeds to the repair or reconstruction of the Units or Common Elements. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of a release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

5.03 OTHER INSURANCE: The Board shall also have the authority to and shall obtain such other insurance as the Board deems necessary or appropriate or which is required under the Act or under applicable requirements or guidelines of a First Mortgagee, including, without limitation, the following:

(a) Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Owner occurring in, on or about the Condominium Property or upon, in or about the streets, private drives and passageways and other areas adjoining the Condominium Property, in such amounts as the Board shall deem desirable.

(b) Such workers compensation insurance as may be necessary to comply with applicable laws.

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(c) Employer's liability insurance in such amount as the Board shall deem desirable.

(d) Fidelity bond indemnifying the Condominium Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Condominium Association or of any other person handling the funds of the Condominium Association, the Board or the Owners in such amount as the Board shall deem desirable or as required by the Act.

(e) Directors and officers liability insurance.

(f) Such insurance shall be in such amounts and with such deductible amounts as are required by applicable law or the requirements of any First Mortgagee and shall include cross liability claims of one or more insured parties against other insured parties. To the extent possible, all of such policies shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to the Condominium Association and First Mortgagees who specifically request such notice. The premiums for such insurance shall be Common Expenses.

5.04 OWNER'S RESPONSIBILITY: Unless expressly advised to the contrary by the Board, each Owner shall obtain his own insurance on the Improvements and Betterments within the Owners Unit (as defined in Section 5.01), and his personal property stored in his Unit, his Storage Area, his Balcony or elsewhere on the Condominium Property, and his personal liability to the extent not covered by the liability insurance for all of the Owners obtained as part of the Common Expenses as above provided; and the Board shall have no obligation whatsoever to obtain any such insurance coverage on behalf of the Owners. Except as expressly determined by the Board, the Board shall not be responsible for obtaining insurance on Improvements and Betterments and shall not be obligated to apply any insurance proceeds from policies it is obligated to maintain hereunder to restore the affected Unit to a condition better than the condition existing prior to the making or installation of the Improvements and Betterments. In the event the Board does carry such insurance and the premium therefore is increased due to additions, alterations, Improvements and Betterments of a Unit Owner, then the Board may charge a special assessment against such Unit Owner to recover the increase in premium.

5.05 WAIVER OF SUBROGATION: The Association and each Owner hereby waive and release any and all claims which it or he may have against any other Owner, the Condominium Association, its directors and officers, the Declarant, the manager and the managing agent, if any, and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Limited or Common Elements caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance, and to the extent this release is allowed by policies for such fire or other casualty insurance.

5.06 REPAIR OR RECONSTRUCTION:

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

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Association to repair or reconstruct the Damaged Improvement.

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

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

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

(3) A vote shall then be taken on the question of whether or not the Damaged Improvement shall be repaired or reconstructed based on the information provided by the Board under (2) above, including the proposed special assessment. The Damaged Improvement shall be repaired or reconstructed and the proposed special assessment shall be levied only upon the affirmative vote of Voting Members representing at least seventy five percent (75%) of the votes cast.

(4) If the Voting Members do not vote to repair or reconstruct the Damaged Improvement at the meeting provided for in (1) above, then the Board may, at its discretion, call another meeting or meetings of the Owners to reconsider the question of whether or not the Damaged Improvement shall be repaired or reconstructed. If the Voting Members do not vote to repair or reconstruct the Damaged Improvement within 180 days after the occurrence which caused the damage, then the Board may (but shall not be obligated to) in its discretion Record a notice as permitted under Section 14(a) of the Act.

(5) If (i) the Voting Members do not vote to repair or reconstruct the Damaged Improvement under Subsection (4) above, and (ii) the Board does not Record a notice as permitted under the Act; then the Board may, with the consent of Owners representing 75% of the Units and First Mortgagees representing 75% of the Units (by number) subject to First Mortgages, amend this Declaration to withdraw the Property from the Act, as permitted under the Act. If the Property is withdrawn, then the amendment shall provide that the Property shall be owned by the Owners of Units as tenants-in-common with each Owner's interest being determined based on the relative Undivided Interests of the Units prior to the withdrawal. The payment of just compensation, or the allocation of any insurance or other proceeds shall be made to the Owners and First Mortgagees, as their interests may appear, on an equitable basis, determined by the Board; as provided in the Act.

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

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

5.07 CONDEMNATION:

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

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

5.08 SALE OF THE PROPERTY; The Unit Owners, through the affirmative vote of not less than seventy-five percent (75%) of the Voting Members by number, not percentage of ownership in the Common Elements, at a meeting duly called for such purpose, may elect to sell all appurtenant interests in and to the Property as a whole. Within ten (10) days after the date of the meeting at which any such conveyance is approved, the Board shall give written notice of such action to the holder of any First Mortgagee entitled to notice under Article X of this Declaration. Such action shall be final upon all Owners and it shall thereupon become the duty of every Owner to execute and deliver such instruments and to perform all acts in manner or form necessary to effect such conveyance; provided, however that any Owner who did not vote

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in favor of such action and who has filed written objection thereto with the Board within twenty (20) days after the date of the meeting at which such conveyance was approved, shall be entitled to receive from the proceeds of such conveyance an amount equal to the fair market value of its Unit and the percentage ownership in the Common Elements appurtenant to such Unit, as determined by appraisal as hereinafter provided, less the amount of any unpaid assessments or charges due and owing from such Owner. If the Board and such Owner fail to agree on the fair market value of such Unit and related ownership within fifteen (15) days after delivery of such Owner's notice, such Owner and the Board shall each select an appraiser, and the two appraisers so selected shall select a third appraiser and the fair market value determined by the third appraiser shall control. If either party shall fail to select an appraiser, then the one designated by the other party shall make the appraisal. The cost of the appraisal shall be divided equally between such Unit Owner and the Board, and the Board's share shall be a Common Expense.

ARTICLE SIX Assessments

6.01 CREATION OF LIEN AND PERSONAL OBLIGATION: The Declarant, for each Unit Ownership, hereby covenants, and each Owner of a Unit Ownership by acceptance of a deed therefor, whether or not it shall be so expressed in, any such deed or other conveyance, shall be and is deemed to covenant and hereby agrees to pay to the Condominium Association such assessments or other charges or payments as are levied pursuant to the provisions of this Declaration. Such assessments, or other charges or payments, together with interest thereon and costs of collection, if any, as herein provided, shall be a charge on the Unit Ownership and shall be a continuing lien upon the Unit Ownership against which each such assessment is made. Each such assessment, or other charge or payment, together with such interests and costs, shall also be the personal obligation of the Owner of such Unit Ownership at the time when the assessment or other charge or payment is due. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of its Unit. Neither the Board nor the Association shall have any authority to forbear the payment of assessments by any Owner.

6.02 PURPOSE OF ASSESSMENTS: The assessments levied by the Condominium Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of members of the Condominium Association, to administer the affairs of the Condominium Association, and to pay the Common Expenses.

6.03 ASSESSMENTS: Each year, at least on or before November 1 of each calendar year, and at least thirty (30) days before final adoption thereof, the Board shall furnish each Owner with a proposed budget for the ensuing fiscal year which shall show the following, with reasonable explanations and itemizations:

- (a) The estimated Common Expenses;
- (b) The estimated amount, if any, to maintain adequate reserves for Common Expenses;
- (c) The estimated net available cash receipts from sources other than assessments, including, without limitation, receipts from any leases, licenses or concessions;

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(d) The amount of the "Annual Assessment", which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) above, minus the amount determined in (c) above, minus excess funds, if any, from the current year's operation;

(e) That portion of the Annual Assessment which shall be payable by the Owner with respect to his Unit each month until the next Annual Assessment or revised Annual Assessment becomes effective, which monthly portion shall be equal to one twelfth (1/12th) of the Annual Assessment multiplied by the Unit's Undivided Interest.

Each budget shall disclose that percentage of the annual assessment which shall be added to the Reserve and each Owner shall be deemed to make a capital contribution to the Association equal to such percentage multiplied by each installment of the annual assessment paid by such Owner. The failure or delay of the Board to prepare or serve the annual or adjusted assessment estimate on any Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay its share of Common Expenses, as herein provided, whenever the same shall be determined, and in the absence of any annual or adjusted estimate, the Owners shall continue to pay the monthly installments at the then existing monthly rate established for the previous period until notice of the new monthly rate or estimate is received; provided, however that no Owner shall be obligated to pay such higher monthly rate or estimate sooner than ten (10) days after such new rate or adjusted estimate shall have been mailed or delivered to such Unit Owner.

6.04 PAYMENT OF ASSESSMENTS: On or before the first day of the fiscal year, and on or before the first day of each and every month thereafter until the effective date of the next Annual Assessment, each Owner of a Unit shall pay to the Condominium Association or as it may direct, that portion of the Annual Assessment which is payable by such Owner. On or before March 1 of each calendar year following the year in which the initial meeting of the Association is held, the Board shall supply to all Owners an itemized accounting of the Common Expenses actually incurred and paid during the immediately preceding year, together with a tabulation of the amounts collected pursuant to the budget or assessments, and showing a net excess or deficit of income over expenditures plus Reserves. Any amount accumulated in excess of the amount required for actual expenses and Reserves shall be applied to and transferred to the Reserve, or in the alternative, credited to each owner in accordance with its percentage ownership interest in the Common Element to the next monthly installments of assessments due from the Owners under the current year estimate until exhausted, and any net shortage shall be added to the assessments for each Owner according to its percentage ownership interest in the Common Elements and shall be paid in installments over the immediately succeeding six (6) months after rendering of the accounting.

6.05 MATERIAL INCREASE IN ASSESSMENT: Except as otherwise provided herein, in the event the Board adopts an annual budget or a supplemental budget or a special or separate assessment which result in the sum of all regular and separate or special assessments against the Owners in any calendar year exceeding one hundred and fifteen percent (115%) of the sum of all regular and separate and special assessments for the immediately preceding calendar year, the Board, upon written petition by the Voting Members having at least 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 Owners within thirty (30) days of the date of delivery of the petition to consider the budget. Unless sixty-six percent (66%) of the votes of the Voting Members present

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are cast at the meeting to reject the budget or separate or special assessment, the budget or special or separate assessment shall be deemed to be ratified, regardless of whether or not a quorum is present.

6.06 SPECIAL ASSESSMENT/ SUPPLEMENTAL BUDGET: The Board may levy a special or separate assessment (i) to pay (or build up reserves to pay) extraordinary expenses incurred (or to be incurred) by the Condominium Association for a specific purpose including, without limitation, to make major repairs, additions, alterations or improvements to the Common Elements, or (ii) to cover an unanticipated deficit under the current or prior year's budget. If the estimated Common Expenses contained the annual budget prove inadequate for any reason or in the event a nonrecurring Common Expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or nonrecurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Owner and thereupon a special or separate assessment shall be made to each Owner for its proportionate share of such supplemental budget. Assessments for additions and alterations to the Common Elements or to property owned by the Association not included in the adopted annual budget shall be separately assessed against all Owners and, except if relating to an emergency or mandated by law, shall be subject to the affirmative vote of at least a majority of the total votes of all Owners, at a meeting specifically called for the purpose of approving such special or separate assessment. As used in this Section "emergency" means an immediate danger to the structural integrity of the Common Elements or to the life, health, safety or property of the Owners.

If required under the Act, a separate or special assessment shall be approved, in advance, by action of the Unit Owners. Each Owner shall receive notice, in the same manner as is provided for meetings of the Owners, of any meeting of the Board concerning the adoption of any supplemental budget or any special or separate assessment. Each Owner shall be responsible for the payment of the amount of the special assessment multiplied by his Unit's Undivided Interest or, in the case of a special assessment for repairs, additions, alterations or improvements to Limited Common Elements, in the shares determined by the Board as permitted hereunder. The Board shall serve notice of a separate or special assessment on all Owners who will be required to pay such separate or special assessment by a statement in writing giving the amount and reasons therefor, and the separate or special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. The Board may adopt special or separate assessments payable over more than one fiscal year and the entire amount of such multi-year assessment shall be deemed considered and authorized in the first fiscal year in which such multi-year assessment is approved. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the current or prior year's budget) shall be held in the Capital Reserve account and used only for the specific purpose set forth in the notice of assessment.

6.07 ANNUAL REPORT: Within a reasonable time after the close of the Condominium Association's fiscal year, the Board shall furnish each Owner with an itemized account of the Common Expenses for such fiscal year actually incurred or paid, together with an indication of which portions of the Common Expenses for such fiscal year were incurred or paid for capital expenditures or repairs or the payments of real estate taxes, if any, and with a tabulation of the amounts collected for the Annual Assessment and showing the net excess or deficit of income over expenditures, plus reserves.

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6.08 CAPITAL RESERVE: The Condominium Association shall segregate and maintain a special reserve accounts to be used solely for making capital expenditures and paying for the costs of deferred maintenance in connection with the Common Elements, including a reserve fund for replacements (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Elements and equipment owned by the Condominium Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of equipment to be used by the Condominium Association in connection with its duties hereunder and those matters set forth in Section 9(c)(2) of the Act. The Capital Reserve may be built up by special assessment or out of the Annual Assessment as provided in the budget. Special accounts set up for portions of the Capital Reserve to be used to make capital expenditures with respect to the Common Elements shall be held by the Condominium Association as agent and trustee for the Owners of Unit with respect to which the Capital Reserve is held and such accounts shall be deemed to have been funded by capital contributions to the Condominium Association by the Owners. If the Board, exercising reasonable business judgment, chooses not to provide for the buildup of reserves for a particular anticipated expenditure or if the buildup of reserves that the Board does provide for in its budgets does not result in sufficient funds to pay for the expenditure when the expenditure must be made, neither the Board nor any of its past or present members shall be liable to the Condominium Association or the Unit Owners for failing to provide for sufficient reserves.

6.09 INITIAL CAPITAL CONTRIBUTION: Upon the closing of the sale of each Unit to a purchaser for value, the purchasing Owner shall make a capital contribution to the Condominium Association in an amount equal to three (3) months of the current year's Annual Assessment for each Unit which amounts shall be held and used by the Condominium Association for its working capital needs. In addition each Purchaser shall pay to the Condominium Association the sum of One Hundred Dollars (\$100.00) to be added to the Capital Reserve.

6.10 NON-PAYMENT OF ASSESSMENTS: Any assessments or other charges or payments which an Owner is required to make or is liable for hereunder which are not paid when due shall be deemed delinquent. If an assessment or other charge or payment is not paid within thirty (30) days after the due date, it shall bear interest at eighteen percent (18%) per annum, and the Board may (i) bring an action against the Owner personally obligated to pay the same, together with interest, costs and reasonable attorneys' fees of any such action, which shall be added to the amount of such assessment or other charge or payment and shall be included in any judgment rendered in such action and/or (ii) enforce and foreclose any lien which it has or which may exist for its benefit. In addition, the Board may, in its discretion, charge reasonable late fees for the late payment of assessments or other charges. No Owner may waive or otherwise escape liability for the assessments or other charges or payment provided for herein by nonuse, abandonment or transfer of his Unit.

6.11 CONDOMINIUM ASSOCIATION'S LIEN SUBORDINATED TO MORTGAGES: The lien on each Unit Ownership provided for in Section. 6.01 for assessments or other charges or payments shall be subordinate to the lien of any First Mortgage on the Unit Ownership Recorded prior to the date that any such assessments or other charges or payments become due. Except as hereinafter provided, the lien provided for in Section 6.01 shall not be affected by any

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transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure of a First Mortgage; such transfer of title shall to the extent permitted by law extinguish the lien for any assessments or other charges or payments under Section 6.01 which became due prior to (i) the date of the transfer of title or (ii) the date on which the transferee comes into possession of the Unit, whichever occurs first. However, the transferee of a Unit Ownership shall be liable for his share of any assessments or other charges or payments with respect to which a lien against his Unit Ownership has been extinguished pursuant to the preceding sentence which are reallocated among the Owners pursuant to a subsequently adopted annual, revised or special assessment, and nonpayment thereof shall result in a lien against the transferee's Unit Ownership as provided in Section 6.01. If for any reason the Owner of a Unit is permitted to remain in possession of his Unit during the pendency of a foreclosure action with respect to the Unit, the Owner shall be required to pay a reasonable rental for such right and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect such rental.

6.12 STATEMENT OF ACCOUNT: Upon seven (7) days notice to the Board and the payment of a reasonable fee, if any, which may be set by the Board, any Owner shall be furnished with a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from the Owner as of the date of the statement. The statement shall be executed by a duly authorized officer or agent of the Condominium Association and shall be binding on the Condominium Association.

6.13 USER CHARGES: The Board may establish, and each Owner shall pay, user charges to defray the expense of providing services, facilities or benefits which may not be used equally or proportionately by all of the Owners or which, in the judgment of the Board, should not be charged to every Owner. Such expense may include such services provided to the Owners of Dwelling Units which the Board determines should not be allocated among all Owners in the same manner as Common Expenses or, in the alternative, such expense may include such services provided to the Owner of the Commercial Unit which the Board determines should not be allocated among all Owners in the same manner as Common Expenses. Such unit charges may be billed separately to each Owner benefited thereby, or may be added to such Owner's share of the Common Expenses, as otherwise determined, and collected as part thereof. Nothing herein shall require the establishment of user charges pursuant to this Section, and the Board may elect to treat all or any portion thereof as Common Expenses.

ARTICLE SEVEN Remedies for Breach or Violation

7.01 SELF-HELP BY BOARD: Subject to the provisions of Section 7.05, in the event of a violation by an Owner of the provisions, covenants or restrictions of the Act, this Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, the Board, upon not less than ten (10) days prior written notice, shall have the right to enter upon that part of the Condominium Property where the violation or breach exists and summarily abate, remove or do whatever else may be necessary to correct such violation or breach, provided, however; that where the violation or breach involves an improvement located within the boundaries of a Dwelling Unit, judicial proceedings shall be instituted before any items of construction can be altered or demolished. Any and all expenses in

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connection with the exercise of the right provided by this section shall be charged to and assessed against the violating Owner.

7.02 INVOLUNTARY SALE: Subject to the provisions of Section 7.05, if any Owner (either by his own conduct or by the conduct of any Resident or occupant of a Unit) shall violate any of the covenants or restrictions or provisions of this Declaration, the By-Laws, or the rules or regulations adopted by the Board, and such violations shall not be cured within thirty (30) days after notice in writing from the Board, or shall re-occur more than once thereafter, then the Board shall have the power to issue to said defaulting Owner a 10-day notice in writing to terminate the rights of said defaulting Owner to continue as an Owner and to continue to occupy, use or control his Unit, and thereupon an action may be filed by the Board against said defaulting Owner for a decree declaring the termination of said defaulting Owner's right to occupy, use or control the Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Owner in the Condominium Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and other terms as the court shall determine equitable. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Owner in the decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the defaulting Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the Unit so purchased subject to this Declaration.

7.03 FORCIBLE DETAINER: In the event that an Owner is delinquent in payment of his proportionate share of the Common Expenses or any other charges or payments required to be paid by the Owner hereunder, the Board shall have the right to take possession of the Owner's Unit and to maintain for the benefit of all other Owners an action for possession in the manner prescribed by "An Act in Regard to Forcible Entry and Detainer" (as may be recodified), as provided in the Act.

7.04 OTHER REMEDIES OF THE BOARD: In addition to or in conjunction with the remedies set forth above, in the event of a violation by an Owner of the Act, this Declaration, the By-Laws, or rules and regulations of the Board; the Board may levy reasonable fines or the Board or its agents shall have the right to bring an action at law or in equity against the Owner and/or others as permitted by law including, without limitation; (i) to foreclose a lien against the Unit Ownership, (ii) for damages, injunctive relief, or specific performance; (iii) for judgment or for the payment of money and the collection thereof, (iv) for any combination of the remedies set forth in this Article or (v) for any other relief which the Board may deem necessary or appropriate. Any and all rights and remedies provided for in this Article may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to enforce any provisions of this Declaration, the By-Laws, or rules and regulations of the Board shall in no event be deemed a waiver of the right to do so thereafter.

7.05 ENFORCEMENT BY THE BOARD: Prior to the imposition of any fine and concurrently with the sending of a notice described in Section 7.01 and 7.02; the Board shall notify the Owner or Resident, as the case may be, in writing of the violation of the rule or

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regulation and the Board's proposed remedy. Any Owner or Resident who receives such notice may, within three (3) days after receipt of such notice, demand a hearing before the Board or its authorized committee. At that hearing a member of the Board shall present to the Owner or Resident the grounds for the notice and the Owner or Resident shall have an opportunity to challenge such grounds and to present any evidence on his behalf subject to such reasonable rules of procedure as may be established by the Board or its authorized committee, which rules shall adhere to the generally accepted standards of due process. If the Owner or Resident demands a hearing as herein provided, such hearing shall be held within four (4) days after the Board receives the demand and no action shall be taken by the Board until the hearing has been held and notice of the decision of the Board or its authorized committee and the terms thereof has been delivered to the Owner or Resident. The decision of the Board or its authorized committee shall be rendered within three (3) days after the hearing and such decision shall be final and binding on the parties.

7.06 COSTS AND EXPENSES: All expenses incurred by the Board in connection with the enforcement of the provisions of this Declaration or in connection with the exercise of its rights and remedies under this Article, including without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the contract rate of interest then permitted in Illinois until paid but not to exceed eighteen percent (18%) per annum, shall be charged to and assessed against the defaulting Owner and the Condominium Association shall have a lien for all the same upon such Owner's Unit Ownership, as provided in Section 6.04.

7.07 ENFORCEMENT BY OWNERS. Enforcement of the provisions contained in this Declaration and the rules and regulations adopted hereunder may be by any proceeding at law or in equity by any aggrieved Owner against any person or persons violating or attempting to violate any such provisions, either to restrain such violation or to recover damages, and against a Unit Ownership to enforce any lien created hereunder.

ARTICLE EIGHT Annexing Additional Property

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ARTICLE NINE Amendments

9.01 AMENDMENT BY DECLARANT. To the extent not otherwise prohibited by the Act, the Declarant hereby reserves to itself the right, without the consent of any Owner or mortgagee of a Unit, while the Association is under Declarant's control (defined as that time prior to the election of the Board of Managers as provided for in Section 18.2(b) of the Act) to record an amendment to the Declaration, provided such amendment does not materially adversely affect the value of any Unit. In furtherance of the foregoing, a power coupled with an interest is hereby received and granted to Declarant to vote in favor of, make or consent to any such amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, assignment, other evidence of obligation, or other instrument affecting a Unit, and the acceptance thereof, shall be deemed to be a grant and acknowledgement

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of and a consent to the reservation of power by and the power granted to the Declarant to vote in favor of, make, execute and Record such amendments.

9.02 AMENDMENT BY OWNERS. Subject to the provisions of Article Ten, and except as otherwise provided in Sections 5.06 and 5.07 and the Act, the provisions of this Declaration may be amended, modified, enlarged or otherwise changed in whole or in part by the affirmative vote of Voting Members (either, in person or by proxy or by an instrument executed by Owners, representing at least seventy five percent (75%) of the Units, by number, except that the provisions of Article Ten and the provisions of this Article may be amended only with the written consent of Eligible Mortgagees as provided in Section 10.02. No amendment shall become effective until Recorded.

ARTICLE TEN Rights of First Mortgagees

10.01 NOTICE TO FIRST MORTGAGEES: Each Owner shall notify the Condominium Association of the name and address of his First Mortgagee or its servicing agent, if any, and shall promptly notify the Condominium Association of any change in such information. The Condominium Association shall maintain a record of such information with respect to all Units. Each First Mortgagee shall have the right to examine the books and records of the Condominium Association at any reasonable time and to have an audited statement of the Condominium Association's operations prepared for a fiscal year at its own expense. Upon the specific written request of a First Mortgagee to the Board the First Mortgagee shall receive some or all of the following as designated in the request:

- (a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Condominium Association to the Owner of the Unit covered by the First Mortgagee's First Mortgage;
- (b) Any audited or unaudited financial statements of the Condominium Association which are prepared for the Condominium Association and distributed to the Owners;
- (c) Copies of notices of meetings of the Owners and the right to be represented at any such meetings by a designated representative;
- (d) Notice of any proposed action which would require the consent of a specified percentage of Eligible Mortgagees pursuant to Section 10.02;
- (e) Notice of the decision of the Owners to make any material amendment to this Declaration, the By-Laws, or the Articles of Incorporation of the Condominium Association;
- (f) Notice of substantial damage to or destruction of any Unit (in excess of \$1,000) or any part of the Common Elements (in excess of \$10,000);
- (g) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Condominium Property;

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(h) Notice of any default of the Owner of the Unit which is subject to the First Mortgagee's First Mortgage where such default is not cured by the Owner within thirty (30) days after the giving of notice by the Condominium Association to the Owner of the existence of the default, or

(i) The right to be treated as an "Eligible Mortgagee" for purposes of Section 10.02.

(j) Copies of any written notice received by the Association of lapse, cancellation or material change in any insurance policy or fidelity bond carried by the Condominium Association.

The request of a First Mortgagee shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Condominium Association. Failure of the Condominium Association to provide any of the foregoing to a First Mortgagee who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Condominium Association need not inquire into the validity of any request made by a First Mortgagee hereunder and in the event of multiple requests from purported First Mortgagees of the same Unit Ownership, the Condominium Association shall honor the most recent request received.

10.02 CONSENT OF ELIGIBLE MORTGAGEES:

(a) In addition to any requirements or prerequisite provided for elsewhere in this Declaration, the consent of Eligible Mortgagees holding, in the aggregate, First Mortgages on at least sixty-seven percent (67%) of the Unit Ownerships (by number) which are subject to First Mortgages held by Eligible Mortgagees will be required for the Condominium Association to do or permit to be done any of the following:

(1) Adoption of an amendment to this Declaration which changes or adds to provisions of the Declaration relating to (i) voting rights; (ii) assessments, assessment liens, or the priority of assessment liens; (iii) reserves for maintenance, repair, and replacement of Common Elements; (iv) responsibility for maintenance and repairs; (v) reallocation of interests in the Common Elements (including Limited Common Elements) or rights to their use; (vi) redefinition of any Unit boundaries; (vii) convertibility of Units into Common Elements or Common Elements into Units; (viii) insurance or fidelity bond requirements; (ix) leasing of Units; (x) imposition of any restrictions on an Owner's right to sell or transfer his Unit;

(2) The abandonment or termination of the condominium;

(3) The partition or subdivision of a Unit;

(4) The abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Elements, (except for the granting of easements for public utilities or for other purposes consistent with the intended use of the Condominium Property and except for the encumbrance, sale or transfer of an Undivided Interest in connection with the encumbrance, sale or transfer of a Unit Ownership);

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(5) The sale of the Condominium Property;

(6) The removal of a portion of the Condominium Property from the provisions of the Act and this Declaration;

(7) The effectuation of a decision by the Condominium Association to terminate professional management and assume self-management of the condominium when professional management had been required hereunder or by an Eligible Mortgagee; or

(8) Restoration or repair of the Condominium Property (after a hazard damage or partial condemnation) in a manner other than as specified in this Declaration or the use of hazard insurance proceeds for losses to the Condominium Property (whether to Units or to the Common Elements) for other than the repair, replacement, or reconstruction of the damaged portion of the Condominium Property;

provided, that, such consent of Eligible Mortgagees will not be required with respect to any action under (1) through (3) above which is permitted under Article Eight hereof.

(b) Whenever required, the consent of an Eligible Mortgagee shall be deemed granted unless the party seeking the consent is advised to the contrary in writing by the Eligible Mortgagee within thirty (30) days after making the request for consent by Registered or Certified Mail, Return Receipt Requested.

10.03 INSURANCE PROCEEDS/ CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of substantial damage to, or destruction of, any part of the Condominium Property or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Condominium Property, any such distribution shall be made to the Owners and their respective First Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the First Mortgagee of a Unit with respect to any such distribution to or with respect to such Unit; provided that nothing in this Section shall be construed to deny to the Condominium Association the right to apply any such proceeds to repair or replace damaged portions of the Condominium Property or to restore what remains of the Condominium Property after condemnation or taking by eminent domain of a part of the Condominium Property.

ARTICLE ELEVEN Declarant's Reserved Rights

11.01 IN GENERAL: In addition to any rights or powers reserved or granted to the Declarant under the Act, this Declaration or the By-Laws, the Declarant shall have the rights and powers set forth in this Article. In the event of a conflict between the provisions of this Article and any other provisions of this Declaration or the By-Laws, the provisions of this Article shall govern. Except as otherwise provided in this Article, the rights reserved by or granted to Declarant under this Article shall terminate at such time as the Declarant is no longer vested with or in control of title to any portion of the Premises.

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11.02 CONTROL OF BOARD: Until the initial meeting of the Owners and the election of the initial Board as provided for in the By-Laws, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board by the Act, this Declaration or the By-Laws shall be held and performed by the Declarant. The Declarant may hold and perform such rights and obligations through the Board which, prior to the Turnover Date; shall consist of three (3) individuals designated by the Declarant from time to time. Prior to the Turnover Date the Declarant may appoint from among the Owners non-voting counselors to the Board who shall serve at the discretion of the Declarant.

ARTICLE TWELVE

Miscellaneous

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

12.02 NOTICES: Any notice required to be sent to any Owner under the provisions of this Declaration or the By-Laws shall be deemed to have been properly sent if mailed, postage prepaid, to his or its last known address as it appears on the records of the Association at the time of such mailing, (ii) transmitted by facsimile or e-mail to his or its facsimile number or e-mail address as either appears on the records of the Association at the time of such transmittal; or (iii) when personally delivered to his or its Unit. The date of mailing, or the date of transmission if the notice is sent by facsimile or e-mail, shall be deemed the date of service.

12.03 CAPTIONS/CONFLICTS: The Article and Section headings herein are intended for convenience only and shall not be construed with any substantive effect in this Declaration. In the event of any conflict between the statements made in the recitals to this Declaration and the provisions contained in the body of this Declaration, the provisions contained in the body of this Declaration shall govern.

12.04 PERPETUITIES AND OTHER INVALIDITY: If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory Provisions, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the last to die of the lawful descendants of Robert F. Kennedy, former Senator of the United States and Richard M. Daley, Mayor of the City of Chicago, Illinois, alive on October 5, 2007.

12.05 TITLE HOLDING LAND TRUST: In the event title to any Unit Ownership is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all assessments, charges or payments hereunder and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit Ownership. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or

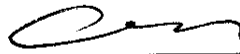
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obligation shall continue to be a charge or lien upon the Unit Ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Unit Ownership.

12.06 ASSIGNMENT BY THE DECLARANT: All rights which are specified in this Declaration to be rights of the Declarant are assignable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (including, whether by foreclosure or deed-in-lieu of foreclosure) and including any receiver or mortgagee in possession, shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No party exercising rights as Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

12.07 WAIVER OF IMPLIED WARRANTY OF HABITABILITY AND OTHER WARRANTIES. Illinois courts have held that every contract for the construction of a new home in Illinois carries with it a warranty that when completed, the home will be free of defects and will be fit for its intended use as a home. The courts have also held that this "Implied Warranty of Habitability" does not have to be in writing to be a part of the contract and that it covers not only structural and mechanical defects such as may be found in the foundation, roof, masonry, heating, electrical and plumbing; but it also covers any defect in workmanship which may not easily be seen by the buyer. However, the courts have also held that a seller-builder and buyer may agree in writing that the Implied Warranty of Habitability is not included as a part of their particular contract. Each buyer of a Unit from Declarant agreed in the purchase contract that the Declarant has excluded and disclaimed the implied Warranty of Habitability and all other implied warranties, whether created judicially, statutorily or by common law, including the implied warranty of fitness for a particular purpose. Such exclusion and disclaimer shall apply to and bind any subsequent Owner of a Unit and, accordingly, no Owner of a Unit shall be able to assert a claim against Declarant for a breach of the Implied Warranty of Habitability or any other implied warranty.

IN WITNESS WHEREOF, Eric Janssen, in his capacity as Court-Appointed Receiver executes this AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OWNERSHIP FOR EAST 47TH STREET CONDOMINIUM this _____ day of _____, 2011, on behalf of Declarant, 1040 LOFTS, LLC, beneficiary of Park National Bank (now North Star Trust Company) Successor Trustee to Cosmopolitan National Bank of Chicago as Trustee under Trust Agreement dated March 9, 1992 and known as Trust Number 29905, and the record titleholder, PARK NATIONAL BANK, as Successor Trustee to Cosmopolitan Bank and Trust, as Trustee under Trust Agreement dated March 9, 1992 and known as Trust No. 29905 pursuant to order of court entered July 22, 2011 in Case No. 10CH 16995 in the Circuit Court of Cook County, Illinois.



Eric Janssen, not individually but on behalf of
Declarant, 1040 LOFTS, LLC, beneficiary of Park
National Bank (now North Star Trust Company)
Successor Trustee to Cosmopolitan National Bank of

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Chicago as Trustee under Trust Agreement dated March 9, 1992 and known as Trust Number 29905, and the record titleholder, PARK NATIONAL BANK, as Successor Trustee to Cosmopolitan Bank and Trust, as Trustee under Trust Agreement dated March 9, 1992 and known as Trust No. 29905

STATE OF ILLINOIS)

SS

COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Eric Jansen, personally known to me to be the person whose name is subscribed to the foreign instrument, appeared before me this day in person and acknowledged that he signed and delivered the Said Instrument for the uses and purposes set forth therein.

Given under my hand and Notarial Seal this 31 day of August, 2011

My Commission Expires: 4-16-2013


Notary Public



This Document was Prepared by:
The Law Offices of Ronald N. Primack, LLC
18401 S. Maple Creek Drive, Suite 100
Tinley Park, Illinois 60477
(708) 444 0277

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EXHIBIT A LEGAL DESCRIPTION

That property located in the City of Chicago, County of Cook, State of Illinois, formerly identified by PIN 20-02-317-023-0000 and then known as The West 35.7 feet of Lot 10 and the East 10 feet of Lot 11 in Smith's Subdivision of Block 7 in the Subdivision by the executors of E. K. Hubbard (Deceased) of the East ½ of the Southwest ¼ of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Now Legally Described as:

Parcel 1:

Units 2N, 2W, 3N, 3W, 3E, 4N, 4W, 4E, and Commercial/Retail together with its undivided percentage interest in the common elements in East 47th Street Condominium as delineated and defined in the Declaration recorded as Document No. 0727815081, as amended and restated, in the East ½ of the Southwest ¼ of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Exclusive use for parking and storage purposes in and to Parking Space No. ~, and Storage Space No. ~, limited common elements, as set forth and defined in said Declaration of Condominium and the Survey attached thereto, in Cook County, Illinois.

PINS: 20-02-317-051-1001 (2N);
 20-02-317-057-1002 (2W);
 20-02-317-057-1003 (3N);
 20-02-317-057-1004 (3W);
 20-02-317-057-1005 (3E);
 20-02-317-057-1006 (4N);
 20-02-317-057-1007 (4W);
 20-02-317-057-1008 (4E);
 20-02-317-057-1009 (Commercial/Retail)

Commonly known as: The 1040 E. 47th Street Condominiums, Chicago, IL 60616

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EXHIBIT B TO
THE DECLARATION OF CONDOMINIUM OWNERSHIP FOR
EAST 47TH STREET CONDOMINIUM ASSOCIATION

The By-Laws of
East 47th Street Condominium Association
an Illinois not-for-profit corporation

ARTICLE I
NAME OF CORPORATION

The name of this corporation is EAST 47TH STREET CONDOMINIUM ASSOCIATION. It may adopt the name "1040 East 47th Street Condominium Association".

ARTICLE II
PURPOSE AND POWERS

2.01 PURPOSES: The purposes of this Condominium Association are to act on behalf of its members collectively, as their governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare of the members of the Condominium Association, all on a not-for-profit basis. These By-Laws are attached as Exhibit B to the Amended and Restated Declaration of Condominium Ownership for East 47th Street Condominium ("Declaration"). All terms used herein shall have the meanings set forth in the Declaration.

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

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

ARTICLE III
OFFICES

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

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

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ARTICLE IV MEETINGS OF MEMBERS

4.01 VOTING RIGHTS: The Condominium Association shall have one class of membership. There shall be one individual with respect to each Unit who shall be entitled to vote at any meeting of the Owners (the "Voting Member"). If the Owner of a Unit is one individual, then such individual shall be the Voting Member. If the Record ownership of a Unit shall be in more than one individual or if the Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member shall be designated by the Owner or Owners in writing to the Board, and if in the case of multiple individual Owners no designation is given, then the Board may, at its election, recognize one of the multiple persons comprising an Owner of a Unit as the Voting Member for such Unit. In addition, if any one of the multiple persons comprising an Owner shall cast the vote(s) allocated to that Unit without protest by any of the other Persons comprising such Owner being promptly made to the person presiding over the meeting at which said vote(s) are cast, it shall be conclusively presumed that the Person casting such vote(s) is the Voting Member. The Declarant shall designate the voting Member with respect to any Unit owned by the Declarant. Any or all Owners may be present at any meeting of the Owners, but the voting rights shall be vested exclusively in the Voting Members; provided, however, that a Voting Member may vote either in person or by proxy executed in writing by the Voting Member or his duly authorized attorney-in-fact and filed with the secretary before the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Every proxy must bear the date of its execution. The total number of votes of all Voting Members shall be one hundred (100) and, except as otherwise specifically required under the Act, the Declaration or these By-Laws, each Unit Owner shall be entitled to the number of votes equal to the percentage of ownership in the Common Elements appurtenant to its Unit as set forth in Exhibit A attached hereto (said Exhibit A also attached as Exhibit D to the Declaration. The Association (or the Declarant, in the exercise of the powers set forth herein) shall furnish any Unit Owner, within ten (10) days of receipt of a written request from a Unit Owner, the names, addresses and number of votes of each Unit Owner entitled to vote at each meeting to elect members of the Board.

4.02 PLACE OF MEETING; QUORUM: Meetings of the Owners shall be held on the Condominium Property or at such other place in Cook County, Illinois convenient to the Owners as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order; as from time to time published. Voting Members holding more than fifty percent (50%) of the total votes represented in person or by proxy; shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the Voting Members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the Voting Members, unless a greater proportion is required by the Act, the Declaration or these By-Laws. The affirmative vote of 75% of the votes entitled to be cast shall be required for the following action: (a) merger or consolidation of the Condominium Association; and (b) sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Condominium Association, with each Unit Owner entitled to cast one vote on the matter. The affirmative vote of 75% of the votes entitled to be cast shall be required for the purchase or sale of land or of Units on behalf of all Owners, with each Unit Owner entitled to cast one vote on the matter.

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4.03 ANNUAL MEETINGS: The initial meeting of the Owners shall be held upon written notice delivered by the Declarant not less than twenty-one (21) or more than thirty (30) days before the date fixed for said meeting. Said initial meeting shall be held not later than sixty (60) days after the conveyance by the Declarant of seventy-five percent (75%) of the Units or three (3) years after the recording of the Declaration, whichever is earlier. Thereafter there shall be an annual meeting of the Owners within thirty (30) days from the anniversary date of the initial annual meeting or at such other reasonable time or date (not more than fifteen days before or after such date) at such time and on such date designated by written notice of the Board.

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

4.05 NOTICE OF MEMBERSHIP MEETINGS: Written notice of any membership meeting shall be mailed or personally delivered and posted conspicuously on the Condominium Property, giving Owners not less than ten (10) or more than thirty (30) days notice of the time, place, and purpose of the meeting.

ARTICLE V BOARD OF MANAGERS/DIRECTORS

5.01 IN GENERAL: The affairs of the Condominium Association and the direction and administration of the Condominium Property shall be vested in the Board of Managers/Directors (the "Board"), consisting of three (3) persons appointed or elected in the manner provided hereinafter ("Directors") who shall serve without compensation. The Board shall have all of the powers granted to it under the Act; the Declaration, these By-Laws and the General Not-For-Profit Corporation Act of the State of Illinois. A majority of the total members of the Board shall constitute a quorum.

5.02 DECLARANT DESIGNATED BOARDS: Anything herein to the contrary notwithstanding, until the first meeting of the Owners, the Declarant shall have the right to designate and select the persons who shall serve as Directors. Such individuals may, but need not, be Owners and shall serve at the discretion of the Declarant.

5.03 BOARDS AFTER TURNOVER DATE: At the initial meeting of the Owners the Voting Members shall elect the initial Board (as provided for in the Act) in the manner hereinafter provided to replace the Declarant designated Board established under Section 5.02. From and after such meeting, each member of the Board shall be an Owner or a Voting Member, or both. Within sixty (60) days after the election of a majority of the Board other than those designated by the Declarant, the Declarant shall deliver to the Board the following documents and others as required by the Act:

(a) Original copies of the Declaration, these By-Laws, the Condominium Association's Articles of Incorporation and the Condominium Association's minute book.

(b) An accounting of all receipts and expenditures made or received on behalf of the

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Condominium Association by the Declarant designated Boards.

(c) All Condominium Association funds and bank accounts.

(d) A schedule of all personal property, equipment and fixtures belonging to the Condominium Association including documents transferring the property to the Condominium Association.

5.04 ELECTION/VACANCIES: At each election for members of the Board, each Voting Member for each Unit which he represents shall be entitled to one vote multiplied by the number of Directors to be elected and cumulative voting shall not be permitted. A Resident who is a contract purchaser of a Unit from a contract seller other than the Declarant shall have the right to vote for Directors after the Turnover Date unless such contract seller expressly retains such right in writing. At the initial meeting of the Owners, a full Board of Directors shall be elected, all of whom shall serve a one year term. The election as between candidates receiving the same number of votes shall be determined by lot. Upon the expiration of the terms of office of the Directors so elected at the first annual meeting, and thereafter, successors shall be elected for a term of one (1) year. Each Director shall serve until his term expires or is terminated or until his successor shall have been elected and qualified. A Director may succeed himself in office.

Vacancies in the Board, including vacancies due to any increase in the number of Directors shall be filled by the Voting Members at a meeting of the Association called for such a purpose. Vacancies may also be filled by the Board by a unanimous vote of the remaining Directors effective until the earlier to occur of the next meeting of the Association (whether the annual meeting of a special meeting called for such purpose) or a period terminating no later than thirty (30) days following the filing of a petition signed by Owners holding twenty percent (20%) of the votes of the Association requesting a meeting of the Association to fill the vacancy for the balance of the term. A meeting of the Association shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty percent (20%) of the votes of the Association requesting such a meeting.

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

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

5.07 SPECIAL MEETINGS: Special meetings of the Board may be called by the President or by at least one-third (1/3) of the Directors then serving.

5.08 NOTICE OF BOARD MEETINGS: Notice of each meeting of the Board shall be mailed or personally delivered to each Director at least forty-eight (48) hours prior to the meeting and notice of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be given to each Owner in the

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same manner as provided in Section 4.05 of these By-Laws, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. Notice of each meeting of the Board shall also be conspicuously posted on the Condominium Property at least forty-eight (48) hours prior to the meeting.

5.09 OPEN MEETINGS: Each meeting of the Board, to the extent required by law, shall be open to any Owner and, if required under the Act, notice of such meeting shall be mailed or personally delivered and posted conspicuously upon the Condominium Property at least 48 hours prior thereto, unless a written waiver of such notices signed by the person or persons entitled to such notice before the meeting is convened. The Board may adopt reasonable rules governing the conduct of Owners who attend meetings and Owners who do not comply with such rules may be removed from the meeting.

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

5.11 COMPENSATION: No Director shall be compensated by the Condominium Association for services rendered to the Condominium Association, except as expressly provided in a resolution duly adopted by the Board and receiving the approval of at least three-fourths (3/4) of the Voting Members.

5.12 REMOVAL OR RESIGNATION OF DIRECTOR: Any Director may be removed from office, with or without cause, by an affirmative vote of the Voting Members having at least two-thirds (2/3) of the total votes at any annual meeting or at a special meeting called for such purpose. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Any Director may resign at any time by submitting his written resignation to the Board. If a Director ceases to be an Owner or a Voting Member, he shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired term of a Director who resigns or is removed shall be elected by the Voting Members at the same meeting or at any regular meeting or at any special meeting called for such purpose and any successor so appointed shall serve the balance of his predecessor's term.

5.13 POWER'S AND DUTIES OF THE BOARD: Subject to the provisions of Section 11.04 of the Declaration, the Board shall have all of the powers and duties granted to it or imposed upon it by the Act, the Declaration, these By-Laws, and the Illinois General Not-For Profit Corporation Act, including, but not limited to, the following powers and duties:

(a) Subject to the provisions of Sections 4.05 of the Declaration, to engage the services of a manager or managing agent to assist the Condominium Association in performing and providing such services as the Condominium Association is required to provide to its members under the Declaration;

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

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Association;

(c) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Elements for which the Condominium Association is responsible under the Declaration and these By-Laws and to have access to each Unit from time to time as may be necessary for such repair or replacement or to confirm that such Unit is in compliance with the terms of the Declaration or any rules or regulations promulgated by the Board of the Declarant;

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

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

(f) To pay the Common Expenses;

(g) To adopt rules and regulations as provided in the Declaration;

(h) To delegate the exercise of its power to committees appointed pursuant to Section 7.01 of these By-Laws;

(i) To own, convey, encumber, lease, or otherwise deal with Units or other real property conveyed to or purchased by the Condominium Association;

(j) To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Condominium Property;

(k) To borrow money and, subject to Section 4.02 of these By-Laws, pledge the assets of the Condominium Association, including the right to receive future assessments, as collateral for repayment thereof; and

(l) Upon authorization by the affirmative vote of not less than a majority of the voting Members at a meeting duly called for such purposes, or by a two-thirds (2/3) vote of the Directors, the Board, acting on behalf of all Owners, shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge and collect all expenses incurred in connection therewith as Common Expenses.

ARTICLE VI OFFICERS

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

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Secretary and Treasurer shall be Directors and all other officers, if any, may, but need not, be, Directors.

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

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

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

(b) The Vice President, if such officer is elected by the Board shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office and other duties assigned by the Board. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to act in the capacity of President on an interim basis;

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

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

6.04 OFFICERS' COMPENSATION: The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by three fourths (3/4) of the Voting Members with each Voting Member entitled to cast one (1) vote.

ARTICLE VII COMMITTEES DESIGNATED BY BOARD

7.01 BOARD COMMITTEES: The Board, by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Condominium Association; but the designation

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of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.

7.02 SPECIAL COMMITTEES: Other committees not having and exercising the authority of the Board in the management of the Condominium Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, the chair of such committees shall be a Director and the members of each such committee shall be Owners appointed to the committee by the President of the Association. Any committee member thereof may be removed by the chair of such committee whenever in their judgment the best interests of the Condominium Association shall be served by such removal.

7.03. TERM: Each member of a committee shall continue as such until the next annual meeting of the Board and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

7.04 CHAIRMAN: One member of each committee shall be appointed chairman.

7.05 VACANCIES: Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

7.06 QUORUM: Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7.07 RULES: Each committee may adopt rules for its own governance not inconsistent with the Declaration, these By-Laws or with rules adopted by the Board.

ARTICLE VIII INSTRUMENTS, CHECKS, DEPOSITS AND FUNDS

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

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

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

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

ARTICLE IX FISCAL MANAGEMENT

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

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

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

ARTICLE X BOOKS AND RECORDS

The Condominium Association shall keep correct and complete books and records of account in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Condominium Association a record giving the names and addresses of the members. All books and records of the Association may be inspected by any Owner, or his agent, mortgagee or attorney, for any proper purpose at any reasonable time during normal business hours. Upon ten (10) days written notice to the Board and payment of a reasonable fee, any Owner shall be furnished with a statement of account setting forth the amount of unpaid assessments or other charges due and owing to the Condominium Association from such Owner.

ARTICLE XI AMENDMENTS

These By-Laws may be amended or modified at any time, or from time to time, in the same manner as provided in Article Nine of the Declaration; provided, that prior to the Turnover Date, Section 5.02 and this Article XI may not be amended without the written consent of the Declarant, and provided, further, that no provision of these By-Laws, may be amended or

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modified so as to conflict with the provisions of the Declaration or the Act. No amendment to these By-Laws shall become effective until recorded in the Offices of the Cook County Recorder.

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EXHIBIT C
1040 E. 47TH STREET CONDOMINIUM UNIT
ASSIGNED PARKING SPACES
ASSIGNED STORAGE SPACES

UNIT NUMBER	PARKING SPACE ASSIGNED (LCE)	STORAGE SPACE ASSIGNED (LCE)
Dwelling Unit 2 North	6	6
Dwelling Unit 2 West	5	5
Dwelling Unit 3 North	4	4
Dwelling Unit 3 West	8	8
Dwelling Unit 3 East	3	3
Dwelling Unit 4 North	1	1
Dwelling Unit 4 West	7	7
Dwelling Unit 4 East	2	2
Commercial Unit	Parking Spaces 9 and 10 And Garage	No Storage Space

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EXHIBIT D PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS BY UNIT

Unit	Percentage of Common Elements Owned
DWELLING UNITS	
Dwelling Unit 2 North	10.43%
Dwelling Unit 2 West	6.71%
Dwelling Unit 3 North	10.39%
Dwelling Unit 3 West	6.74%
Dwelling Unit 3 East	8.95%
Dwelling Unit 4 North	10.41%
Dwelling Unit 4 West	6.75%
Dwelling Unit 4 East	8.91%
COMMERCIAL UNIT	30.71%