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DECLARATION OF CONDOMINIUM
AND BYLAWS
PURSUANT TO THE CONDOMINIUM
PROPERTY ACT OF ILLINOIS
OF
562 ARLINGTON PLACE CONDOMINIUMS

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Farwell, Farwell & Peters, P.C.
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Arlington Heights, IL. 60005

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DECLARATION OF CONDOMINIUM
PURSUANT TO THE CONDOMINIUM
PROPERTY ACT OF ILLINOIS
OF
562 ARLINGTON PLACE CONDOMINIUMS

This Declaration made and entered into this 28th day of June, 2005, by Midwest Bank & Trust Company, as trustee under the provisions of a trust agreement dated March 15, 2000 and known as Trust No. 00-2-7675, (hereinafter sometimes referred to as the "Developer"):

WITNESSETH:

WHEREAS, the Developer is the owner in fee simple of certain real estate, hereinafter described, in the City of Chicago, Cook County, Illinois; and

WHEREAS, the Developer intends to and does hereby submit such real estate, together with all buildings, structures, improvements, and other permanent fixtures of whatsoever kind thereon, all rights and privileges belonging or in anywise pertaining thereto, and any and all easements appurtenant thereto to the provisions of the Illinois Condominium Property Act; and

WHEREAS, the Developer desires to establish certain rights and easements in, over, and on said real estate for the benefit of itself and all future owners of any part of said real estate, and any unit or units thereof or therein contained, and to provide for the harmonious, beneficial, and proper use and conduct of the real estate and all units; and

WHEREAS, the Developer desires and intends that the several Unit Owners, mortgagees, Occupants, and other Persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of and shall hold their interests subject to the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of the Property and are established for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Property.

NOW, THEREFORE, the Developer declares as follows:

1. Definitions. Certain words and terms used in this Declaration are defined as follows:
 - a. Act — The Condominium Property Act of the State of Illinois, as amended from time to time.
 - b. Association — The Association of all the Unit Owners acting pursuant to the Bylaws, through its duly elected Board.
 - c. Board — The board of managers of the Association as constituted at any time and from time to time. In the event the Association is incorporated, the "Board" shall mean the Board of Directors of the incorporated Association.
 - d. Buildings — All structures, attached or unattached, located on the Property, containing one or more Units.
 - e. Bylaws — The Bylaws of the 562 Arlington Place Condominium Association as set forth in section 12 herein.

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- f. Common Elements — All portions of the Property except the Units, including, without limiting the generality of the foregoing, the Parcel, stairways, corridors, roofs, storage areas, laundries, mechanical rooms and equipment therein, refuse collection system, central heating system, and structural parts of the improvements on the Parcel, wherever located.
- g. Common Expenses — The proposed or actual expenses affecting the Property, including Reserves, if any, lawfully assessed by the Board.
- h. Condominium Instruments — All documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the Declaration, Bylaws, and Plat.
- i. Developer — Midwest Bank & Trust Company, as trustee under the provisions of a trust agreement dated March 15, 2000 and known as Trust No. 00-2-7675, and its successors and assigns, or such other Persons as the beneficiary of the Developer may from time to time designate. The Developer is the Developer of the Property as Developer is defined in the Act. For purposes hereof, any receiver or mortgagee in possession with respect to such entire interest shall be entitled to exercise all rights of Developer during the period of its receivership or possession as mortgagee in possession, or the case may be.
- j. First Mortgagee — An owner of a bona fide first mortgage or first trust deed covering any portion of the Property.
- k. Initial Board of Managers — The first Board, the majority of the members of which are Unit Owners other than the Developer.
- l. Limited Common Elements — That part of the Common Elements contiguous to and serving a single Unit exclusively as an inseparable appurtenance thereto, including specifically such portions of the perimeter walls, floors and ceilings, windows and doors, and all fixtures and structures therein that lie outside the Unit boundaries, pipes, ducts, flues, shafts, electrical wiring or conduits, or other system or component part thereof that serve a Unit exclusively to the extent such system or component part is located outside the boundaries of a Unit.
- m. Maintenance Fund — All money collected or received by the Association pursuant to the provisions of the Condominium Instruments.
- n. Majority or Majority of Unit Owners — The owners of more than 50 percent in the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided ownership.
- o. Occupant — A person or persons, other than a Unit Owner, in possession of a Unit.
- p. Parcel — The lot or lots or tract or tracts of land, described in Paragraph 2 hereof, submitted to the provisions of the Act.
- q. Person — A natural individual, corporation, partnership, Developer, or other legal entity capable of holding title to real property.
- r. Plat — A plat or plats of survey of the Parcel and of all Units in the Property submitted to the provisions of the Act, which shall consist of the three-dimensional, horizontal, and vertical delineation of all such Units and such other data as may be required by the Act.

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

t. Record; Recordation; Recording; Recorded — To record or have recorded in the Recorder's Office of Cook County, Illinois.

u. Reserves — Those sums paid by Unit Owners that are separately maintained by the Board for purposes specified by the Board or the Condominium Instruments.

v. Unit — Any part of the Property designed and intended for any type of independent use and designated on the Plat as a Unit.

w. Unit Owner — The Person or Persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit and its appurtenant undivided ownership interest in the Common Elements.

2. Legal Description of Parcel. The Parcel hereby submitted to the provisions of the Act is legally described as follows:

3. Description of Units. All units are delineated on the Plat attached hereto as Exhibit B and made a part of this Declaration. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Said Units are legally described on Exhibit A attached hereto and made a part hereof.

4. Use and Ownership of the Common Elements

a. The use of the Common Elements, and the rights of the Unit Owners with respect thereto, shall be subject to and governed by the Act, the Condominium Instruments, and the rules and regulations of the Board. The Board shall have authority to lease, license, or grant concessions with respect to portions of the Common Elements other than the Limited Common Elements. All income derived by the Association from leases, licenses, concessions, or other sources shall be held and used for the benefit of the members of the Association, pursuant to the Condominium Instruments, and the rules and regulations of the Association.

b. Each Unit Owner shall own an undivided interest in the Common Elements, in the percentage set forth in Exhibit C, attached hereto and made a part hereof, as a tenant in common with all other Unit Owners. Such percentage is based on the Developer's initial determination of relative values of the Units. Except for (1) portions of the Common Elements that have been assigned to the Unit Owners by the Board pursuant to the provisions of the Condominium Instruments, and (2) the Limited Common Elements, each Unit Owner and his agents, permitted Occupants, family members, and invitees shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit as a place of residence and such other incidental uses permitted by the Condominium Instruments, which right shall be appurtenant to and run with his Unit. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving only his Unit and the Limited Common Elements access to which is available only through his Unit. The right to the exclusive use and possession of the Limited Common Elements as aforesaid shall be appurtenant to and run with the Unit of such Unit Owner. Except as set

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forth in the preceding sentence, Limited Common Elements may not be transferred between or among Unit Owners.

5. Encroachments and Easements.

a. If any part of the Common Elements encroaches or shall hereafter encroach on any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach on any part of the Common Elements, or any portion of any Unit encroaches on any part of any other Unit as a result of the construction, repair, reconstruction, settlement, or shifting of the Building, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of (1) the Unit Owner of the Unit so encroaching, or (2) all the Unit Owners with respect to the Common Elements so encroaching as long as all or any part of the Building containing such Unit or Common Elements so encroaching shall remain standing; provided, however, that after the date this Declaration is Recorded, a valid easement for an encroachment shall in no event be created in favor of any owner of a Unit other than the Developer or the Developer or in favor of the owners of the Common Elements if such encroachment occurred due to the willful conduct of said owner or owners.

b. The City of Chicago, Ameritech, Commonwealth Edison Company, Nicor Gas Company, and all other providers of public utility services serving the Property, and any Person providing cable television or other similar entertainment to the Property, are hereby granted the right to lay, construct, renew, replace, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus, and other equipment related to their service to the Property, into and through the Common Elements and the Units, where reasonably necessary, for the purposes of providing utility and entertainment services to the Property, as long as such grantees repair any damage to the Property resulting from an exercise of their rights hereunder. Subject to the terms of Paragraph 5(c), the Developer or Association may hereafter grant other or additional easements for utility or entertainment purposes and for any other purposes including, but not limited to, such easements as may be required to construct, keep, and maintain improvements on the Common Elements for the benefit of the Property, over, under, along, and on any portion of said Common Elements, and each Unit Owner hereby grants the Developer and the Association an irrevocable power of attorney to execute, acknowledge, and Record for and in the name of such Unit Owner such instruments as may be necessary to effectuate the foregoing (provided that with respect to all easements granted hereby or pursuant hereto, no Unit Owner shall be deprived of, or be subjected to material interference with, the use of its Unit or any Limited Common Element appurtenant to its Unit, other than reasonably). Each mortgagee of a Unit shall be deemed to consent to and be subordinate to any easement hereafter granted pursuant to the provisions of this Subparagraph 5(b) and also grants such power of attorney to the Developer and the Association necessary to effectuate the foregoing.

c. Upon approval by at least 67% of the Unit Owners, portions of the Common Elements may be dedicated to a public body for purposes of streets or utilities. Where such a dedication is made, nothing in the Act or any other law shall be construed to require that the real property taxes of every Unit must be paid prior to Recordation of the dedication. Upon approval by a Majority of the Unit Owners, an easement may be granted for the laying, maintenance, and repair of cable television cable. Upon approval by a Majority of the Unit Owners, an easement may be granted to a governmental body for construction, maintenance, and repair of a project for protection against water damage or erosion. Any action pursuant to this Subparagraph 5(c) must be taken at a meeting of Unit Owners duly called for the purpose.

d. The Developer, its contractors and subcontractors, and their respective agents and employees shall have an easement for ingress, egress, and access to and throughout the Property to perform, and as may be required in connection with, the construction and equipping of the improvements on the Parcel, which easement shall continue at the Developer's discretion for two (2) years following the

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date of the election of the Initial Board of Managers. In connection therewith, the Developer, its contractors and subcontractors, and their respective agents and employees shall have the right to take into and through and maintain on the Property all material and equipment required in connection with such construction and equipping, and to temporarily suspend operation of entrances, doors, corridors, and other Common Elements without liability to any Unit Owner or Occupant; provided, however, that at all times Unit Owners and Occupants shall have reasonable access to their respective Units and Limited Common Elements, and the Developer shall cause as little inconvenience to Unit Owners and Occupants as is reasonably possible under the circumstances. The Developer shall promptly repair any damage caused to the Common Elements or any Unit in connection with the exercise of its rights and easements under this Subparagraph 5d.

e. Without limitation of the terms of Subparagraph 5d, the right of the Unit Owners to use and possess the Common Elements shall be subject to a blanket easement over the Common Elements in favor of the Developer, and its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors, and assigns, for the purpose of (1) access and ingress to, and egress from, the Property, or any part thereof, (2) construction, installation, repair, replacement, and restoration of utilities and any other portion of the improvements thereon, including the right to restrict and regulate access to the Common Elements for the purposes of completing construction of the Common Elements of Units, and (3) the installation and maintenance of signs advertising the Units in the Property, and signs directing potential purchasers to the sales office and models erected in connection with the Units and for such purposes as described in Subparagraph 11b. The foregoing easements in favor of the Developer shall continue until such time as may be required by the Developer, in its sole discretion, to perform, construct, or equip Common Elements or Units, and to make certain modifications thereof, for two (2) years following the election of the Initial Board of Managers, at which time such easements shall cease and be of no further force and effect without the necessity of any further action.

f. 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. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Property, and any suppliers of water, utility, or cable television or similar entertainment services to the Property shall be entitled to reasonable access to, over, and through the individual Units as may be required in connection with the operation, maintenance, repairs, or replacements of or to the Common Elements or any equipment, facilities, or fixtures affecting or serving other Units or the Common Elements, or to service and take readings of any utility meters located within a Unit.

6. Pipes, etc. All pipes, wires, ducts, flues, chutes, conduits, public utility lines (to the outlets), and structural components located in or running through a Unit and serving more than one Unit or another Unit or serving, or extending into, the Common Elements, or any part thereof, shall be deemed part of the Common Elements but shall not be deemed to be Limited Common Elements. No Unit Owner may take any action that would interfere with the ability of the Association to repair, replace, or maintain said Common Elements as provided herein.

7. Sale or Other Alienation.

a. Any Unit Owner who desires to sell his Unit, or any interest therein, to any Person shall first obtain from the proposed purchaser a bona fide executed offer in writing, setting forth all the terms and conditions of said proposed transaction. The offer shall be expressly subject to the terms of this Paragraph 7. If any Unit Owner receives such an offer that he intends to accept, he shall accept such offer subject to the terms of this Paragraph 7 and give written notice to the Association of such offer and acceptance, stating the name and address of such proposed purchaser, the terms of the proposed transaction, and such other information as the Association may reasonably require, and shall furnish a

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copy of such executed offer and acceptance to the Association. The giving of such notice shall constitute a warranty and representation by the giver thereof that he believes such offer and all information contained in the notice to be bona fide, true, and correct in all respects. During the period of thirty (30) days following receipt by the Association of such written notice, the Association shall have the first right and option to purchase such Unit (or to cause the same to be purchased by any designee or assignee, corporate or otherwise, of the Association) on the same terms and conditions as stated in the aforesaid notice received by the Association. If the Association shall give written notice to the Unit Owner within said thirty- (30-) day period of the exercise of its first right and option, the transaction between the Unit Owner and the Association or its designee shall be consummated on the same terms as set forth in the notice to the Association.

If the Association shall give written notice to the Unit Owner within said 30- (30-) day period that it has elected not to exercise such first right and option, or if the Association shall fail to give any notice within said ten- (30) day period, then the proposed transaction as described and set forth in the notice to the Association may be consummated within ninety (90) days after the expiration of said ten- (30) day period. If the Unit Owner fails to consummate such transaction within such ninety- (90-) day period, then such Unit and all rights with respect thereto shall again become subject to the first right and option of the Association as herein provided.

b. Any Unit Owner who wishes to make a gift of his Unit, or any interest therein, or who wishes to transfer his Unit, or any interest herein, for a consideration other than cash or notes (secured or unsecured) of such transferee or the assumption of an existing indebtedness, to any person or persons who would not be heirs at law of the Unit Owner under the rules of descent of the State of Illinois were he to die within sixty (60) days before the contemplated date of such gift or other transfer, shall give to the Association notice of his intent to make such gift or other transfer not less than sixty (60) days before the contemplated date thereof. Said notice shall state the contemplated date of such gift or other transfer, the intended donee or transferee, and the terms in detail of such proposed other transfer and such other information as the Association may reasonably require. The Association shall have the first right and option to purchase the Unit or interest therein (or to cause it to be purchased by any designee or assignee, corporate or otherwise, of the Association) for cash at fair market value, which shall be determined by arbitration as hereinafter provided in Paragraph 7d.

c. In the event that any Unit Owner dies, leaving a will devising his Unit, or any interest therein, to any Person or Persons not heirs at law of the deceased Unit Owner under the rules of descent of the State of Illinois, and the will is admitted to probate, the Association shall have the first right and option to purchase the Unit or interest therein (or to cause it to be purchased by any designee or assignee, corporate or otherwise, of the Association) from the estate of the deceased Unit Owner, or from the devisee or devisees named in such will if no power of sale is conferred by the will on the personal representative named therein, for cash at fair market value, which shall be determined by arbitration as hereinafter provided in Paragraph 7d.

d. Within thirty (30) days after the appointment of a personal representative for the estate of the deceased Unit Owner, or the receipt by the Association of the written notice referred to in Paragraph 7b, as the case may be, the Association, on the one hand, and the owner of the Unit to be purchased, or the devisee or devisees or personal representative, as the case may be, on the other hand, shall each appoint a qualified real estate appraiser to act as an arbitrator and shall give written notice of such appointment to the other party to the arbitration. If either party fails to appoint an arbitrator, the arbitrator appointed by the one party shall act as sole arbitrator. If each party has so appointed an arbitrator, then within ten (10) days after the appointment of the last to be appointed of said arbitrators, the two arbitrators so appointed shall appoint another qualified real estate appraiser to act as the third arbitrator. If the two arbitrators so appointed fail to agree on a third arbitrator, then such third arbitrator shall be appointed by the American Arbitration Association on application of either

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party to the arbitration. Within fifteen (15) days after the appointment of a third arbitrator, the three arbitrators shall determine the fair market value of the Unit or interest therein and shall thereupon give written notice of such determination to the Association and the owner or the devisee or devisees or personal representative, as the case may be. If the three arbitrators fail to agree on a fair market value, then the mean average of the values fixed by these three arbitrators shall be the fair market value. The Association's right to purchase the Unit or interest therein at the price so determined shall expire sixty (60) days after the date of receipt of notice of such fair market value; provided, however, that such first right and option to purchase shall expire seven (7) months after the appointment of a personal representative of a deceased Unit Owner who is not empowered to sell. The Association shall be deemed to have exercised its first right and option if it tenders the required sum of money to the owner, or the devisee or devisees or the personal representative, as the case may be, within the option period.

e. In the event any Unit or interest therein is sold at a judicial or execution sale (other than a mortgage foreclosure sale), the Person acquiring title through such sale shall, before taking possession of the Unit so sold, give thirty (30) days' written notice to the Association of his intention so to do, whereupon the Association shall have the first right and option to purchase such Unit or interest therein at the same price for which it was sold at the sale. If this first right and option is not exercised by the Association within the thirty (30) days after receipt of such notice, the option shall thereon expire, and the purchaser may hereafter take possession of the Unit. The Association shall be deemed to have exercised its first right and option if it tenders the required sum of money to the purchaser within the thirty- (30-) day period.

f. In the event any Unit Owner shall default in the payment of any money required to be paid under the provisions of any mortgage or trust deed against his Unit, the Association shall have the right to cure such default by paying the amount so owing to the party entitled thereto and shall thereon have a lien therefor against such Unit, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the common expenses.

g. In the event a Unit Owner leases a Unit owned by him, a copy of the executed lease and a copy of any sublease or assignment or lease, as and when executed, shall be furnished by such lessor, sub-lessor, or assignor to the Association, and the lessee, sub-lessee, or assignee thereunder shall be bound by and be subject to all of the obligations of the owner with respect to such Unit as provided in this Declaration, and the lease, sublease, or assignment shall expressly so provide. The Person making any such lease, sublease, or assignment shall not be relieved thereby from any of his obligations hereunder.

h. The Association shall not exercise any option set forth above without the prior written consent of 66 $\frac{2}{3}$ % of the Unit Owners, which consent must be obtained, if at all, during the period of thirty (30) days following receipt by the Association of the notice described in Paragraph 7a hereof, or thirty (30) days following appointment of the personal representative as described in Paragraph 7d hereof, as applicable. The Association may bid to purchase at any auction or sale of the Unit or interest therein of any Unit Owner, deceased or living, which sale is held pursuant to any order or direction of a court on the prior written consent of 66 $\frac{2}{3}$ % of the Unit Owners, which consent shall set forth a maximum price that the Association is authorized to bid and pay for the Unit or interest therein.

i. When title to any Unit is held by a trust, the bequest, assignment, sale, conveyance, or other transfer by a beneficiary of such trust of his beneficial interest in such trust (other than as security for a bona fide indebtedness) shall be deemed a devise of the Unit owned by the trust.

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j. When title to any Unit is held by a corporation or a partnership, or when a corporation or a partnership is beneficiary of a trust in title to a Unit, the transfer or bequest of fifty percent (50%) or more of the issued and outstanding shares of such corporation, or fifty percent (50%) or more of the interest in such partnership, shall be deemed a devise of the Unit owned by the corporation, partnership, or trust.

k. The terms of this Paragraph 7 and the first right and option herein provided for shall not be applicable to

(1) the transfer or conveyance, by operation of law or otherwise, of the interest of a co-owner of any Unit, to any other co-owner of the same Unit, or the interest of a co-owner of the beneficial interest in a land trust holding title to a Unit to any other co-owner of such beneficial interest when such co-owners hold title to such Unit or such beneficial interest as tenants in common or as joint tenants;

(2) the transfer by sale, gift, devise, or otherwise of any Unit or interest therein, or beneficial interest of a land trust holding title to a Unit to or for the sole benefit of any spouse, descendant, ancestor, or sibling (or the spouse of any such person) of the transferor;

(3) the execution of a bona fide trust deed, mortgage, or other security instrument;

(4) the sale, conveyance, or leasing of a Unit by the holder of a mortgage or trust deed who has acquired title to such Unit by deed in lieu of foreclosure or foreclosure of a mortgage or trust deed on the Property, or any Unit, or by any other remedy set forth in the mortgage or trust deed, provided such holder is a bank, savings and loan association, insurance company, or like institutional mortgagee; and

(5) any sale, conveyance, lease, or transfer of a Unit by the Developer, or any beneficiary of the Developer, or the Developer.

l. Acquisition of Units or interests therein under the provisions of this paragraph shall be made from the Maintenance Fund. If said fund is insufficient, the Association shall levy a special assessment against each Unit Owner other than the owner of the Unit that is to be acquired by the Association in the ratio that his percentage of ownership in the Common Elements bears to the total of such percentages applicable to Units subject to the special assessment, which assessment shall become a lien and may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Subject to the provisions of the Act and Bylaws, the Association may borrow money to finance the acquisition of Units or interests therein, which acquisition is authorized by this paragraph; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit or interest therein to be acquired.

m. Units or interests therein acquired pursuant to the terms of this paragraph, and all proceeds of any sale or leasing thereof, shall be held of record in the name of the Association for the use and benefit of the Unit Owners in the same proportions that the Association could levy a special assessment under the terms of Paragraph 7l above. Subject to the provisions of the Act and Bylaws, these Units or interests therein shall be sold or leased by the Association for the benefit of such Unit Owners at such price and on such terms as the Association shall determine.

n. Upon the written consent of all the members of the Board, any of the rights or options contained in this Paragraph 7 may be released or waived, and the Unit or interest therein that is subject

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to the right and option of the Association set forth in this paragraph may be sold, conveyed, given, or devised free and clear of the provisions of this paragraph.

o. Upon the written request of any prospective transferor, purchaser, tenant, or mortgagee of a Unit, the Association, by its Secretary, shall issue a written and acknowledged certificate evidencing

(1) that the provisions of this Paragraph 7 have been complied with or duly waived by the Association and that the first right and option of the Association has been terminated, if such is the fact;

(2) that any conveyance, deed, or lease is, by the terms hereof, not subject to the provisions of this Paragraph 7, if such is the fact;

and such a certificate shall be conclusive evidence of the facts contained therein.

8. Association

a. The Developer, before the first annual meeting of Unit Owners, or the Association thereafter, may cause the formation of an Illinois not-for-profit corporation for the purpose of facilitating the administration and operation of the Property and to act as the Association.

b. Whether or not the Association is incorporated,

(1) each Unit Owner shall be a member of such Association, which membership shall terminate on the sale or other disposition by such member of his Unit, at which time the new Unit Owner shall automatically become a member therein;

(2) the provisions of this Declaration shall be adopted as the Bylaws of such Association;

(3) the name of such Association shall be 562 Arlington Place Condominium Association, or a similar name.

c. Until the election of the Initial Board of Managers, the same rights, titles, powers, privileges, trusts, duties, and obligations vested in or imposed on the Board by the Act and this Declaration (including without limitation, the rights, powers, and privileges to promulgate rules and regulations relating to the Property) shall be held and performed and may be exercised by the Developer, who is hereby authorized to retain a building manager on behalf of the Association.

d. Within sixty (60) days following the election of the Initial Board of Managers, the Developer shall deliver to the Board

(1) All original documents as Recorded or filed pertaining to the Property, its administration, and the Association, such as this Declaration, Bylaws, articles of incorporation of the Association, other Condominium Instruments, annual reports, minutes, and rules and regulations, contracts, leases, or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the Developer, or an officer or agent of the Developer, as being a complete copy of the actual document Recorded or filed;

(2) A detailed accounting by the Developer, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance, and operation of the Property,

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copies of all insurance policies, and a list of any loans or advances to the Association that are outstanding;

(3) Association funds, which shall have been segregated from any other money of the Developer;

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

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

(6) Any contract, lease, or other agreement made prior to the election of the Initial Board of Managers by or on behalf of the Association or the Unit Owners.

9. Insurance, Repair, and Reconstruction.

a. The Association shall acquire and pay for, out of the Maintenance Fund herein provided for, the following:

(1) Such insurance as the Association is required to obtain under the provisions of the Act and such other insurance as the Association deems advisable in the operation and for the protection of the Common Elements and the Units. The Association shall also comply with the insurance requirements of the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the U.S. Department of Housing and Urban Development (HUD), the Federal Housing Authority (FHA), or the Veteran's Administration (VA) to the extent that (a) such agency is a mortgagee, assignee of a mortgagee, or an insurer or guarantor of a first mortgage with respect to any Unit and the Association is so notified thereof; and (b) such agency's requirements do not conflict with those contained in the Act. Any losses under such policies of insurance shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed, in accordance with the provisions of this Declaration and the Act. Coverage hereunder shall include the Units, the Limited Common Elements, except as otherwise determined by the Board, and the Common Elements, other than the Limited Common Elements not excluded by the Board. This coverage shall not cover betterments or improvements to the Units installed by the Unit Owners except to the extent Paragraph 9c is applicable, in which event the Association may assess any increased premium against the Units of the affected Unit Owners.

"Common elements" for the purposes of this subparagraph includes fixtures initially installed by the Developer and located within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual Units. Common elements exclude floor, wall, and ceiling coverings. "Improvements and betterments" for the purposes of this subparagraph means all decorating, fixtures, and furnishings installed or added to and located within the

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boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, and built-in cabinets installed by Unit Owners.

The Association may engage the services of any bank or trust company authorized to do business in Illinois to act as Developer or agent on behalf of the Association for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, on such terms as the Association shall determine consistent with the provisions of this Declaration. In the event of any loss resulting in the destruction of the major portion of one or more Units occurring after the election of the Initial Board of Managers, the Association shall engage a corporate Developer as aforesaid upon the written demand of the mortgagee or owner of any Unit so destroyed. The fees of such corporate Developer shall be Common Expenses.

Each Unit Owner, other than the Developer, shall notify the Association in writing of any additions, alterations, or improvements to his Unit, and he or she shall be responsible for any deficiency in any insurance loss recovery resulting from his failure so to notify the Association. The Association shall use its reasonable efforts to obtain insurance on any such additions, alterations, or improvements if such Unit Owner requests it to do so and if such Unit Owner shall make arrangements satisfactory to the Association to reimburse it for any additional premiums attributable thereto; and in the absence of insurance on such additions, alterations, or improvements, the Association shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations, or improvements. All such policies of insurance shall contain standard mortgage clause endorsements in favor of the mortgagee of each Unit and shall provide that such policies shall not be terminated, canceled, or substantially modified without at least 30 days' prior written notice to the mortgagee of each Unit.

(2) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Property in such limits as the Association shall deem desirable, provided that such limit shall not be less than \$1,000,000 per occurrence for personal injury and/or property damage, with an additional \$2,000,000 umbrella coverage insuring the Association, the members of the Board, the managing agent, if any, and their respective agents and employees and all persons acting as agents. The Developer and its employees, representatives, and agents must be included as additional insured parties in their capacities as a Unit Owner, member of the Board, manager, or officer of the Board, as appropriate. The Unit Owners must be included as additional insured parties but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements. Such policy shall provide that the insurance coverage shall not be canceled or substantially modified without at least 30 days' written notice to the Association.

(3) Such other forms of insurance as the Association shall elect to effect, including such Workers' Compensation insurance as may be necessary to comply with applicable laws.

(4) Fiduciary bond to protect against dishonest acts on the part of all officers, employees, or other Persons, including the managing agent and its employees, who control or disburse funds of the Association. Such bond shall name the Association as an insured or obligee and shall be in an amount at least equal to the maximum amount of coverage available to protect funds in the custody or the control of the Association or the management company, including

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Reserves. Any management company that is responsible for the funds held or administered by the Association must be covered by a bond for the maximum amount of coverage available to protect those funds. The Association has standing to make a loss claim against the insurance of the managing agent as a party covered under the insurance. In the event FHLMC, FNMA, HUD, FHA or VA is a mortgagee, the insurance shall be in an amount at least equal to 150% of the estimated annual Common Expenses, including Reserves, unless a higher amount is required by the FHLMC, FNMA, HUD, FHA, or VA, in which case the insurance shall be in the higher amount. Such insurance shall contain a waiver of defense based on the exclusion of persons who serve without compensation from the definition of "employee."

(5) Directors' and officers' liability coverage at a level deemed reasonable by the Board. The directors' and officers' coverage must extend to all contracts and other actions taken by the members of the Board and officers in their official capacities as members of the Board and officers, respectively, but this coverage shall exclude actions for which the directors are not entitled to indemnification under the General Not For Profit Corporation Act of 1986 or the Condominium Instruments.

b. Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Association, and the cost of any appraisal that the Association deems advisable in connection with any insurance, shall be Common Expenses.

c. Insurance policies procured pursuant to Paragraphs 9a(1) and 9a(2) must provide for the following:

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

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

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

d. The Association may, but shall not be required to, secure policies providing the following:

(1) with respect to the insurance provided for in Paragraph 9a(1), that the policy cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual Unit Owners; and

(2) with respect to the insurance provided for in Paragraph 9a(1), that the insurer shall not have the option to restore the Property if the Property is sold or removed from the provisions of the Act.

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e. Each Unit Owner shall be responsible for insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner that are contained in a Unit or elsewhere in the Property, insurance on the betterments and improvements to the Unit Owner's Unit not insured pursuant to the provisions of Paragraph 9a(1), and insurance for his or her personal liability to the extent not covered by insurance maintained by the Association.

f. Upon the cancellation of any policy of insurance that the Association is required to obtain hereunder, the Association shall notify each party insured thereunder of such cancellation.

g. In the event of fire or other disaster, the insurance proceeds, if sufficient to reconstruct the Building, shall be applied to restore the Building to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and Common Element to have the same vertical and horizontal boundaries as before the fire or other disaster.

h. If, in the event of fire or other disaster, the insurance proceeds are insufficient to restore the Building as set forth in the preceding subparagraph then:

(1) The Board shall call a meeting of Unit Owners to be held not later than the first to occur of (a) the expiration of 30 days after the final adjustment of the insurance claims or (b) the expiration of 90 days after the fire or other disaster that caused the damage.

(2) At such meeting, the Board shall present an estimate of the cost of repair or reconstruction, together with an estimate of the part thereof that must be raised by way of special assessment.

(3) The Building shall be restored and the proposed special assessment shall be levied only upon the vote of 75% of the Unit Owners.

(4) If the Unit Owners do not vote to restore the Building at the meeting provided for in Paragraph 9h(1) above, then the Board may, at its discretion, call another meeting or meetings of Unit Owners to reconsider the question. If 75% or more of the Unit Owners do not vote to restore the Building within 180 days after the fire or other disaster, then the Board may (but shall not be required to) Record a notice as permitted under the Act.

(5) If the Unit Owners do not vote to restore the Building under the provisions of this paragraph and the Board does not Record a notice as permitted under the Act, then the Unit Owners may, upon the affirmative vote of a Majority of Unit Owners voting at a meeting duly called for that purpose and with the consent of all First Mortgagees, authorize the President or Vice President and the Secretary or Assistant Secretary to execute and record an amendment to this Declaration for the purpose of withdrawing any portion of the Building so affected by such fire or other disaster from the Act. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit shall be reallocated among the remaining Units on the basis of the relative percentage interest of the remaining Units. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, on the basis of diminution of the market value of the Unit, as determined by the Board. The allocation of any insurance or other proceeds to any withdrawing or remaining Unit Owners shall be on an equitable basis that need not be a Unit's percentage of interest in the Common Elements.

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Any insurance or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, assessments attributable to the period after such withdrawal shall no longer be required for such withdrawn Unit or shall be equitably reduced to reflect such withdrawn portion.

i. The Board may, in the case of a claim against insurance required to be obtained by the Association for damage to a Unit or the Common Elements, (1) pay the deductible amount as a Common Expense; (2) after notice and an opportunity for a hearing, assess the deductible amount against the Unit Owner(s) who caused the damage or from whose Unit(s) the damage or cause of loss originated; or (3) require the Unit Owner(s) of the Unit(s) affected to pay the deductible amount.

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

k. Any loss covered by the policy under Paragraph 9a(1) must be adjusted by and with the Association. The insurance proceeds for that loss must be payable to the Association or to an insurance Developer designated by the Association for that purpose. The insurance Developer or the Association must hold any insurance proceeds in trust for Unit Owners and Mortgagees as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged common elements, the bare walls, ceilings, and floors of the units, and then to any improvements and betterments the Association may insure. Unit owners are not entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Association has been terminated as Developer.

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

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

n. The Unit Owners shall obtain insurance covering their personal liability and compensatory (but not consequential) damages to another Unit caused by the negligence of the Unit Owner or his or her guests, residents, or invitees, regardless of any negligence originating from the unit. The personal liability of a Unit Owner must include the deductible of the Unit Owner whose Unit was damaged, any damage not covered by insurance required by this Paragraph 9n, as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings. If the Unit Owner does not purchase or produce evidence of

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insurance requested by the Board, the Board may purchase the insurance coverage and charge the premium cost back to the Unit Owner. In no event is the Board liable to any person either with regard to its decision not to purchase the insurance or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

10. **Separate Real Estate Taxes.** It is understood that real estate taxes for the Parcel are to be separately taxed to each Unit Owner for his Unit and its corresponding percentage of ownership of the Common Elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner but are taxed on the Property as a whole, then the Association shall collect from each Unit Owner his proportionate share thereof in accordance with his respective percentage of ownership of the Common Elements, and such taxes levied on the Property as a whole shall be considered a Common Expense.

11. **Use and Occupancy of Units and Common Elements.** The Units and Common Elements shall be occupied and used as follows:

a. No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit, or any two or more adjoining Units used together, shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purposes. That part of the Common Elements separating any two or more adjoining Units used together may be altered to afford ingress and egress to and from such adjoining units in accordance with the rules and regulations of the Association and on such conditions as shall reasonably be determined by the Association, provided that a Unit Owner intending to so alter the Common Elements as aforesaid shall notify the Association at least forty-five (45) days before the commencement of any such alteration.

b. No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruistic, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. No "For Sale" or "For Rent" signs, advertising, or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Association. The right is reserved by the Developer and the Developer or their agent or agents to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units and on any part of the Common Elements, and the right is hereby given to any mortgagee who may become the owner of any Unit to place such signs on any Unit owned by such mortgagee. Subject to the limitations of Paragraphs 5d and 5e, the Developer and the Developer shall be entitled to access, ingress, and egress to the Property as they shall deem necessary in connection with the sale of, or work in, the Building or any Unit. The Developer and the Developer shall have the right to use any unsold Unit or Units as a model apartment or for sales or display purposes, to relocate the same from time to time, and to maintain on the Property, until the sale of the last Unit, all models, sales offices, and advertising signs or banners, if any, and lighting in connection therewith.

c. There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements without the prior consent of the Association, except as herein expressly provided. Each Unit Owner shall be obligated to maintain and keep his own Unit and the Limited Common Elements appurtenant thereto in good, clean order and repair. The use and the covering of the interior surfaces of windows, whether by draperies, shades, or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Association.

d. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance on the Property without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the

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cancellation of any insurance maintained by the Association, or that would be in violation of any law. No waste shall be committed in the Common Elements.

e. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building, and no sign, awning, canopy, shutter, or radio, or television, or other antenna (except as installed as of the date this Declaration is recorded or except as thereafter installed by Developer or the Association) shall be affixed to or placed on the exterior walls or roof or any part thereof or on the Common Elements without the prior written consent of the Association. All through-wall air conditioners and sleeves in which said air conditioners are inserted, installed as of the date this Declaration is Recorded, may be maintained, removed, and replaced, and shall be repaired as necessary by the Unit Owner owning the Unit that such air conditioner and sleeve serve. No air conditioning unit of whatever type, other than those installed as of the date this Declaration is Recorded, or those thereafter installed by the Developer or the Association, may be installed without the prior written permission of the Association.

f. No animals, livestock, fowl, or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that household pets, other than dogs or cats, may be kept in Units, subject to rules and regulations adopted by the Association, which rule or regulation may exclude any kind of pet by type or category, provided that permitted household pets are not kept, bred, or maintained for any commercial purpose; and provided further that any such authorized pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property on three (3) days' written notice from the Association. Dogs or cats that are kept in Units as of the date this Declaration is Recorded and dogs and cats owned by grantees of the Developer at the time Units are conveyed to such grantees may be kept in Units subject to the terms of this paragraph, but once the dog or cat dies or is otherwise no longer kept in a Unit, the Unit Owner owning the dog or cat may not replace it with another dog or cat unless otherwise allowed pursuant to rules and regulations of the Association.

g. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, that may be or become an annoyance or nuisance to the other Unit Owners or occupants.

h. Except as constructed or altered by or with the permission of the Developer or the Association, nothing shall be done in any Unit or in, on, or to the Common Elements that would impair the structural integrity, safety, or soundness of the Building, or that would structurally change the Building.

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

j. No benches, chairs, or other personal property shall be left on, nor shall any playing, lounging, or parking of baby carriages, playpens, bicycles, wagons, toys, or vehicles be permitted on, any part of the Common Elements without prior consent of and subject to any rules and regulations of the Association.

k. Nothing shall be altered or constructed in or removed from the Common Elements except by or with the permission of the Developer at any time before the election of the Initial Board of Managers without the written consent of the Association.

l. Each Unit Owner and the Association hereby waive and release any and all claims he or it may have against any other Unit Owner, the Association, members of the Board, the Developer, the

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Developer, the beneficiaries of the Developer, and their respective employees and agents for damage to the Common Elements, the Units, or any personal property located in the Units or Common Elements caused by fire or other casualty or any act or omission referred to in Paragraph 11m, to the extent that such damage is covered by fire or other form of hazard insurance.

m. If the act or omission of a Unit Owner, or of a member of his family, a household pet, a guest, an occupant, or a visitor of such Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs, or replacements shall be required that would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs, and replacements, as may be determined by the Association, to the extent such payment is not waived or released under the provisions of Paragraph 11l.

n. Any release or waiver referred to in Paragraphs 11l and 11m hereof shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder.

o. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories, or equipment in such manner as to cause, in the judgment of the Association, an unreasonable disturbance to others. Nor shall any Unit Owner connect any machine, appliance, accessory, or equipment to the heating system or plumbing system without the prior written consent of the Association.

p. This Paragraph 11 shall not be construed to prevent or prohibit a Unit Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls, or conferring with business or professional associates, clients, or customers in his Unit.

q. Each Unit Owner shall deposit with the Board duplicate keys for all locks required for entry to his Unit, as well as security codes for all alarm systems relating to entry to his Unit.

r. Except as otherwise expressly provided in the Declaration of Condominium or Bylaws, no additions, alterations, or improvements shall be made by a Unit Owner to any part of the Common Elements (including the Limited Common Elements) and no additions, alterations, or improvements shall be made by a Unit Owner to his Unit, where such work alters the wall or partition, configuration, ceiling, perimeter doors or windows, or floor load or otherwise affects the structure of the Unit or the structural integrity or systems of the Building, or increases the cost of insurance required to be carried by the Board hereunder, without prior written consent of the Board, and then only in accordance with rules and regulations adopted by the Board. Any addition, alteration, or improvement of a Unit by the Unit Owner that shall affect the structure of the Unit or the Common Elements or shall affect the structural integrity of the Building shall, further, conform with all documentation prepared or reviewed and approved by an architectural or engineering firm selected by the Association. The cost of such drawings or review and approval shall be paid by the Unit Owner. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration, or improvement by a Unit Owner on the Unit Owner's agreement either (1) 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 (2) to pay to the Association from time to time the additional costs of maintenance or insurance as a result of the addition, alteration, or improvement. If an addition, alteration, or improvement is made by a Unit Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions, which actions shall not be exclusive of the remedies available to the Board under Paragraph 12 hereof:

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

12. By-Laws and Rules and Regulations of 562 Arlington Places Condominium.

a. Name and Offices

The Corporation shall maintain in the State of Illinois a registered office and a registered agent, at such office and may have other offices within or without the state. The name of the Corporation is 562 ARLINGTON PLACE CONDOMINIUM.

b. Members

(1) Classes of Members. The Corporation shall have one (1) class of members. The designation of such class and the qualifications of the members of such class shall be as follows:

The member must be owner of fee simple title to any lot or real estate bound by the Declaration of Covenants, Conditions, Easements and Restrictions for 562 Arlington Place Condominium Association.

(2) Election of Members. Members of the Association from time to time are the members in fee of the real estate in parts and parcels thereof; membership is automatic upon recording of such ownership interest and terminates automatically, without effecting thereby obligations incurred during ownership, upon the transfer in any way of such ownership interest.

(3) Voting Rights. Each member shall be entitled to one (1) vote which shall account for the percentage of ownership of the overall condominium as set forth in Exhibit C. It is intended that there be a total of four (4) votes equaling 100%.

(4) Transfer of Membership. Membership in this Corporation is not transferable or assignable without a corresponding transfer of the underlying parcel.

(5) No Membership Certificates. No membership certificates of the Corporation shall be required.

c. Initial and Annual Meetings

(1) Initial Meeting. Upon the first of either 3 years from the time of recordation of this Declaration, or 60 days from the closing date of 75% of the units from the Developer, the Developer will hold an initial meeting for the formation of the initial Board of Directors. Said meeting shall be held according to the terms set forth in the Condominium and Property Act of the State of Illinois.

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(2) Annual Meeting. An annual meeting of the members shall be held on the second (2nd) Wednesday of November of each year for the purpose of electing directors and for the transaction of such other business as may come before the annual meeting.

(3) Special Meeting. Special meetings of the members may be called either by the President, the Board of Directors, or not less than two (2) of the members having voting rights.

(4) Place of Meeting. The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Illinois.

(5) Notice of Meetings. Written notice stating the place, date and hour of any meeting of members shall be delivered to each member entitled to vote at such meeting not less than five (5) nor more than forty (40) days before the date of such meeting. In case of a special meeting or when required by statute or by these By-Laws, the purpose for which the meeting is called shall be stated in the notice. If mailed the notice of a meeting shall be deemed delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid.

(6) Informal Action by Members. Any action required to be taken at a meeting of the members of the Corporation, or any other action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority of the members entitled to vote with respect to the subject matter thereof.

(7) Proxies. Each member entitled to vote at a meeting of members or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him/her by written proxy, but no such proxy shall be voted or acted upon after eleven (11) months from its date, unless the proxy provided for a longer period. The person designated by the member shall be denied voting privileges if the proxy is not presented to the Board of Directors immediately prior to a meeting or filed with the President if said proxy is to remain in force beyond one (1) meeting.

d. Board of Directors

(1) General Powers.

The affairs of the Corporation shall be managed by its Board of Directors.

(2) Number, Tenure and Qualifications.

The number directors shall be at least two (2), and not to exceed four (4). Each director shall hold office until the next annual meeting of members and until his/her successors shall be elected and qualified. The number of directors may be decreased to no fewer than two (2) or increased to a number from time to time by amendment of this section, unless the Articles of Incorporation provide that a change in the amendment of this section, unless the Articles of Incorporation provide that change in the number of directors shall be made only by amendment of these By-Laws.

(3) Number Tenure and Qualifications: The Board of Directors shall be comprised of at least two (2), not to exceed four (4), individual owners. The number of Directors may be neither decreased to any fewer than two (2) nor greater than four (4) numbers. Any change in the number of the Board of Directors must be by way of amendment of this section.

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(4) **Term of Each Director:** Each term of a Director of the Board shall be for a period of two (2) years commencing on the annual meeting of the election year. A total of four (2) Directors shall be elected on any even numbered year and three (2) Directors be elected on any odd numbered year. In the event the number of Directors is increased or decreased by way of amendment stated forth above, the even number of Directors shall be elected on an even numbered year and an odd number of Directors shall be elected on an odd numbered year.

(5) **Regular-Meetings.**

A regular meeting of the Board of Directors shall be held without other notice than these By-Laws, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, for the holding of additional regular meetings of the Board without other notice than such resolution.

(6) **Special Meetings.**

Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. The person or persons authorized to call a special meetings of the Board may fix any reasonable place as the place for holding any special meeting of the Board called by them.

(7) **Notice.**

Notice of any special meeting of the Board of Directors shall be given at least two (2) business days previously thereto by written notice to each director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the company. If sent by telefax, such notice shall be redeemed at the time imprinted on senders telefax; confirmation. Notice of any special meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws.

(8) **Quorum.**

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

(9) **Manner of Acting.**

That act of a majority of at least two (2) of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute, these By-Laws, or the Articles of Incorporation.

(10) **Vacancies.**

Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of an increase in the number of directors shall be filled by a majority of the voting members at the next meeting, annual or special unless the Articles of Incorporation, a statute, or these By-Laws provided that a vacancy or a directorship so created shall be filled in some other manner, in-which case such provision shall control. A director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office.

(11) **Compensation.**

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Directors shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for each regular or special meeting of the Board, provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving reasonable compensation therefore.

(12) Meetings.

Meetings of the voting members shall be held at the Property or at such other place in Cook County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members at which a quorum is present upon the affirmative vote of the voting members having a majority of the total votes present at such meeting.

(13) Special Meetings.

Special meetings of the voting members may be called at any time for the purpose of considering matters which, by the terms of these By-Laws require the approval of all or some of the voting members, or for any other reasonable purpose. Said members shall be called by written notice, authorized by a majority of the Officers, or by the voting members having one-fourth (1/4) of the total votes and delivered not less than ten (10) days prior to the date fixed for said meetings. The notices shall specify the date, time and place of the meeting and the matters to be considered.

(14) Removal.

Any Board member may be removed from office by affirmative vote of the voting members having at least three-fifths (3/5) of the total votes, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

(15) Board Liability.

The directors who serve from time to time and constitute the Board shall not be liable to the members for any mistake of judgment or for any act or omission to act which is committed in good faith as such directors.

(16) Governing Law.

In all other respects, the Association, Directors, Officers and members shall be governed by the Illinois General Not-For-Profit Corporation Act.

e. Officers

(1) Officers.

The officers of the Corporation shall be a President, one (1) Vice-President, a secretary, and such assistant treasurers, assistant secretaries or other officers as may be elected by the Board of Directors. Officers whose authority and duties are not prescribed in these By-Laws shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President with the office of secretary.

(2) Election and Term of Office.

The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his/her successor shall have been duly elected and shall have qualified or until his/her death or until

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(s)he shall resign or shall have been removed in the manner hereinafter provided. Election of an Officer shall not of itself create contract rights.

(3) Removal.

Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment, the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

(4) President.

The President shall be the principal executive officer of the Corporation. Subject to the direction and control of the Board of Directors, (s)he shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Directors; and, in general, (s)he shall discharge all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors. (S)he shall preside at all meetings of the members and of the Board of Directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors or these By-Laws, (s)he may execute for the Corporation any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, and (s)he may accomplish such execution either under or without the seal of the Corporation and either individually or with the secretary, any assistant secretary, or other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument. (S)he may vote all securities, which the Corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the Corporation by the Board of Directors.

(5) Vice President.

The Vice-President shall assist the President in the discharge of his/her duties as the President may direct and shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. In the absence of the President or in the event of his/her inability or refusal to act, the Vice-President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors or these By-Laws, the Vice-President may execute for the Corporation any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, and (s)he may accomplish such execution either under or without the seal of the Corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

(6) Treasurer.

The Treasurer shall be the principal accounting and financial officer of the Corporation. (S)he shall:

(a) Have charge of and be responsible for the maintenance of adequate books of account for the Corporation.

(b) Have charge and custody of all funds and securities of the Corporation, and be responsible therefor, and for the receipt and disbursement thereof.

(c) Perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such amount; and with such surety or sureties as the Board of Directors shall determine.

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(7) Secretary.

The Secretary shall record the minutes of the meetings of the members and of the Board of Directors in one (1) or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as require by law; be custodian of the corporate records and of the seal of the Corporation; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and perform all of the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

f. General Power of Officers

(1) General Powers Of The Officers.

The officers for the benefit of all the Owners, shall acquire and shall pay for out of the maintenance fund hereinafter provided for, the following:

(a) Comprehensive public liability and property damage insurance in such limits as the Officers shall deem desirable insuring the members of the Board, Officers, agents and employees and owners from any liability in connection with the Common Elements or the streets, sidewalks and public spaces adjoining the Property. Such insurance coverage shall also cover cross liability claims of one (1) insured against another.

(b) Landscaping, gardening, snow removal, painting, cleaning, maintenance, repair and replacement of the Common Elements and such furnishings and equipment for the Common Elements as the Officers shall deem are necessary and proper, and the Officers shall have the exclusive right and duty to acquire the same for the Common Elements.

(c) Any other materials, supplies, labor, services, maintenance, repairs, or assessments which the Officers are required to secure or pay for pursuant to the terms of this Declaration or By-Laws or which in its opinion shall be necessary and proper for the maintenance and operation of the Property or for the enforcement of these restrictions.

(d) The Officers may elect to have the cost of any or all of the goods and services furnished by the Officer assessed specially to each Owner in proportion in his use of or benefit from such goods and services.

(e) Nothing hereinabove contained shall be construed to give the Officers authority to conduct an active business for profit on in behalf of all the Owners or any of them.

(2) Liability of the Board of Officers.

The members of the Board of Directors, and the Officers, shall not be personally liable to the Owners or otherwise for any mistake of judgment or for any acts or omissions made in good faith as such Board members, or acting as the Board or Officers. The Owner shall indemnify and hold harmless each of the members of the Board of Directors or Officers against all contractual liability to others arising out of contracts made by the Board of Directors or Officers on behalf of the members unless any such contract shall have been made contrary to the provisions of these By-Laws. It is also intended that the liability of any Owner arising out of any contract made by the Board of Directors or Officers, or out of the aforesaid indemnity in favor of the members of the Board of Directors and the Officers, shall be limited to such proportion of the total liability thereunder as his- percentage of membership in the total parcel bears to the total percentage interest of all the members in the parcel or

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parcels. Every agreement made by the Board of Directors or Officers on behalf of the Owners shall provide that the members of the Board of Directors or Officers, as the case may be, are acting only as agents for the members and shall have no personal liability thereunder (except as members) and that each member's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the parcel or parcels bears to the total percentage interest of all Owners in the parcel or parcels.

(3) Rules and Regulations.

To adopt such reasonable rules and regulations and amendments thereto as it may deem advisable for the maintenance, operation, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and Occupants of the Property, a notice of which contains the full text of the proposed rules and regulations and which conforms to the procedural requirements for the calling of a regular or special meeting of the Association under the Condominium Property Act. No quorum is required at this meeting of Owners. No rule or regulation shall impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article 1 of the Illinois Constitution. Written notice of the adoption of such rules and regulations shall be given to all Owners and Occupants.

(4) Relationship of the Association to the Owner and to the Tenants.

Owner/Owners shall be responsible to the Association for the tenant's compliance with the Rules and Regulations. Each Owner is required to provide his tenants with a copy of the Rules and Regulations. Owners shall obtain and provide to management agent, a written acknowledgement of receipt of the Rules and Regulations from each new tenant. Said acknowledgement shall include a clause stating any breach of the Rules and Regulations shall be deemed a material breach of the rental contract.

g. Assessment - Maintenance Fund

(1) Assessment - Maintenance Fund.

Each year on or before December 1, the Officers shall estimate the total amount necessary to pay the cost of wages, materials, insurance services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Officers to be necessary for a reserve for contingencies and replacements, and shall on or before December 1 notify each Owner in writing as to the amount of such estimate with reasonable itemization thereof. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the Common Areas. Said "Estimated Cash Requirement" shall be assessed to the members according to each Owner's percentage of ownership in the parcel or parcels as set forth in Exhibit "C" attached hereto. On or before January 1 of the ensuing year, and the first (1st) of each and every month of said year, each member jointly and severally, shall be personally liable for and obligated to pay to the Association or as it may direct, one-twelfth (1/12) of the assessment made pursuant to this paragraph. On or before January 1 of each calendar year following the initial meeting, the Association shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, showing the net amount over or short of the actual expenditures plus reserves. Such accounting may be prepared by a certified public accountant. Any amount accumulated in excess of the amount required for actual expenses and reserves, at the discretion of the Board, may be retained by the Association or credited to the next monthly installments due from members under the current year's estimate, until exhausted, and any net shortage shall be added according to each Members percentage of ownership in all parcels

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to the installments due in the succeeding six (6) months after rendering of the accounting. Any such credit or assessment shall be allocated equally among the Lots.

The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditure not originally included in the annual estimate which may become necessary during the year, shall be charged first against the reserve. If said "Estimated Cash Requirement" proves inadequate for any reason, including non-payment of any member's assessment, the Association may at any time levy a further assessment, which shall be assessed to the member's percentage ownership in all parcels. The Association shall serve notice of such further assessment on all members by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All members shall be personally liable for any obligation to pay their respective adjusted monthly amount.

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

The Association shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any member or any representative of a member duly authorized in writing, at such reasonable time or times, during normal business hours as may be requested by the member. Upon ten (10) days' notice to the Association of payment of a reasonable fee determined by the Board, any member shall be furnished a statement of his/her account setting forth the amount of any unpaid assessments or other charges due and owing from such member.

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

If a member is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, and as representatives of all members, to enforce collection therefor or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit and fees and expenses together with legal interest and reasonable attorneys' fees to be fixed by the Court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided shall be and become a lien or charge against the individual parcel of the Owner/member involved when payable and may be foreclosed by an action brought in the names of the Corporation as in the case of foreclosure of liens against real estate. Said lien shall take effect and be in force when and as provided by the statutes in Illinois, however, that encumbrances owned or held by any bank, insurance company or Savings and Loan Association shall be subject as to priority after written notice to said encumbrancer of unpaid common expenses only to the lien of all common expenses on the encumbered parcel ownership which became due and payable subsequent to the date said

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encumbrancer either takes possession of the parcel or parcels, accepts a conveyance of any interest in the parcel or parcels, or has a receiver appointed in a suit to foreclose his lien.

No member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his/her parcel or parcels.

(2) Assessment – Management of Funds.

Due Dates. The annual assessment as determined by the Association and as allowed for in the Declaration, Articles of Incorporation, and Bylaws shall be due and payable in 12 installments due on the 1st day of each month. Assessments or other charges not paid to the Association by the 10th day of the beginning month in which they are due shall be considered past due and delinquent.

Late Charges Imposed on Delinquent Installments. A monthly assessment shall be past due and delinquent if not paid by the 10th day of the month in which it is due. The Association shall impose a \$25.00 late charge on the outstanding or past due balance then due the Association. The late charge may be amended by the Board and shall be a "common expense" for each owner who fails to timely pay their monthly installment of the annual assessment by the 10th day of the beginning month. The late charge shall be the personal obligation of the owner(s) of the Building for which such assessment or installment is unpaid all late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth above) for payment of assessments.

Acceleration of Assessment. Pursuant to the Declaration, Article 5B, if owner(s) defaults in paying an installment of any assessment levied against his/her Building continues for ten (10) days beyond the due date, the Association, at its option, may accelerate the remainder of the assessment installments and declare them due and payable in full.

Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association, or this Resolution, \$25.00 fee or other amount deemed appropriate by the Board of Directors shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand.

Notwithstanding this provision, the association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution after October 1, 199(3) If two or more of a Building Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of said Building Owner's future payments, for a period of one year, be made by certified check or money order.

Attorney's Fees on Delinquent Accounts. As an additional expense permitted under the Declaration, Articles, and Bylaws, the Association shall be entitled to recover its reasonable attorney's fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner. The reasonable attorney's fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

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Application for payments made to the Association. Payments received from an Owner will be credited in the following order of priority.

- (a) Charges for legal fees, court costs and other costs of collection.
- (b) All late charges or interest accrued, as applicable.
- (c) All other charges incurred by the Association as a result of any violation by an owner, his/her family, employees, agents or licensees, of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, or Resolutions.
- (d) The monthly assessment for a Building, including any special assessment due, as applicable; payments shall be applied toward the oldest month(s) then owed.

(3) Collection Letters.

(a) After a monthly assessment or other charge due the Association becomes ten (10) days past due, the Association may cause, but shall not be required to send, a "late notice" to be sent to the unit owner who is delinquent in payment.

(b) If payment in full is not received with ten (10) days, the Association may, but shall not be required to send a "Notice of Intention to Refer Account to the Attorney" to the unit owner. The Association may simultaneously send a copy of the notice to the mortgagee of the unit.

(4) Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

(5) Liens. The Association may file a Notice of Lien against the property of any delinquent Owner in accordance with the terms and provisions of the Declaration, Articles of Incorporation, and Bylaws. A copy of the recorded Notice of Lien shall be mailed to the Owner and to the Mortgage lender with a request that the lender send a letter to the delinquent Owner advising the Owner of the lender's option to accelerate the mortgage debt.

(6) Referral of Delinquent Accounts to Attorney. The association may, but shall not be required to refer dealing its attorneys for collection. Upon referral to the attorneys shall take all appropriate action to units referred.

(7) Referral of Delinquent Accounts to Collection agencies. The Association may, but shall not be required refer delinquent accounts to one or more collection agencies for collection. Upon referral to a collection agency, the agency shall take all appropriate action to collect the accounts referred.

(8) Collection Procedures and Time Frame. The following time frame shall be used in the collection of monthly installment of the annual assessment and other charges.

Due date (date payment is due)	1 st day of each moth
Past due date (date payment is late)	11 th day of the month
Late charge imposed	11 th day of the month
"Late Notice" mailed imposing late fees, interest, etc.	15 days after the due date
"Notice of Intention to Refer Account to Attorney" mailed	15 days after the due date

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Account referred to attorney for
legal action

20 days after the due date

Attorney sends demand letter for
payment including acceleration notice
if applicable date

30 to 45 days after the due date

Owner fails to respond to the
attorney, a lawsuit is considered,
and if appropriate, is commenced

30 days after the due date

(9) The attorney is to consult with the association at all times to determine if payment has been arranged or which collection procedures are appropriate.

(10) The Association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

(11) Notification to Owners. The Association shall cause all owners to be notified of this Resolution and the late charges, returned check charge, and attorney's fees to be imposed after the effective date of those provisions of this Resolution. All other policies and procedures set forth in this Resolution shall be effective immediately.

(12) Ongoing Evaluation. Nothing in this Resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case by case basis.

h. Committees

(1) Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office may designate one (1) or more committees, each of which shall consist of two (2) or more directors, which committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the Board of Directors in the management of the Corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him/her by law.

(2) Other Committees. Other committees not having and exercising the authority of the Board of Directors in the Corporation 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 a resolution, members of each such committee shall be members of the Corporation, and the president of the Corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

(3) Term of Office. Each member of a committee Shall continue as such until the next annual meeting of the members of the Corporation and until his/her successor is appointed unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease qualify as a member thereof.

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- (4) Chairman. One (1) member of each committee shall be appointed Chairman.
- (5) 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.
- (6) Quorum. Unless otherwise provided in the resolution of the Board of Directors 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) Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board of Directors.

i. Contracts, Checks, Deposits and Funds

- (1) Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.
- (2) Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice-president of the Corporation.
- (3) Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.
- (4) Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or, devise for the general purposes or for any special purpose of the Corporation.

j. Resale

- (1) Sales.

For the purposes of this article those terms set forth in Article 7 shall apply.

The Association shall also, upon written request, issue a Paid Assessment Letter furnished prior to the closing of the sale of the building.

The Association may, from time to time, assess charges on the Building Owner for the procurement of the notice of Right of First Refusal and the Paid Assessment Letter, or any other documents requested by the Building Owner from time to time.

- (2) Documents.

In the event of any resale of a Building by an Owner and subject to Board approval of all owners or beneficial interest of the ownership, such Owner shall obtain from the Board and shall make available for inspection to the prospective purchaser, upon demand the following:

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(a) A copy of the Declaration, By-Laws, other condominium instruments and any rules and regulations.

(b) A statement of any liens, including a statement of the account of the Building setting forth the amounts of unpaid assessments and other charges due and owing. A statement of the amount of the monthly common expense assessment of the Building and any unpaid common expense or special assessment currently due and payable from the selling Building Owner.

(c) A statement of any capital expenditures anticipated by the Association within the current or succeeding two (2) fiscal years.

(d) A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the Board.

(e) A copy of the statement of financial condition of the Association for the last fiscal year for which such statement is available including the current operating budget of the Association and the most recent regular prepared balance sheet and income and expense statement, if any, of the Association.

(f) A statement of the status of any pending suits or judgments in which the Association is a party and a statement of whether the Board of Managers has received written notice from any Federal, State or local government of any violations of any applicable codes with respect to the Building or of the condominium Common Elements.

(g) A statement setting forth what insurance coverage is provided for all Owners by the Association.

(h) A statement that any improvements or alterations made to the Building, or the Limited Common Elements assigned thereto, by the prior Owner are in good faith believed to be in compliance with the condominium instruments.

(3) Written Request.

(a) The President of the Association or such other officer as is specifically designated shall furnish the above information when requested to do so in writing and within ten (10) days of the request. A Building Owner is not liable to a purchaser for the failure or delay of the Association to provide such information in a timely manner. Inability to obtain any of the information shall be set forth in the sworn statement of the Building Owner. The purchaser shall have five (5) days from receipt of such affidavit to void said contract for said failure to provide data.

(b) A reasonable fee covering the cost of providing such information and copying may be charged by the Association or the Board to the Building Owner for providing such information.

k. Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his/her agent or attorney, for any proper purpose at any reasonable time.

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l. Fiscal Year

The fiscal year of the Corporation commences on the 1st day of February of each year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

m. Seal

The corporate seal shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Illinois".

n. Rules and Regulations

(1) The provisions set forth hereon 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, there shall first be held a meeting of the Building Owners to discuss the proposed rules and all Building Owners are furnished with a copy of the proposed rules and notice of the meeting as required by the Act.

(2) Without limiting the foregoing, the Board may levy a reasonable charge against a Building Owner for a violation of a rule or regulation, in accordance with the procedures set forth therein.

(3) General Rules.

(a) All rules, regulations, restrictions and covenants contained in the Declaration and Bylaws are incorporated as part of these rules and regulations, and are subject to the enforcement policies set forth in the final section of these comprehensive rules and regulations. To the extent that the provisions of applicable law, the Declaration, Bylaws or the Rules and Regulations are in conflict, the provisions of applicable law shall first control, followed by the provisions of the Declaration, the Bylaws and the Rules and Regulations, in that order.

(b) These Rules and Regulations are binding on all Owners, Tenants, Residents, their families and guests. Exceptions to the Rules may be made only in writing, signed by the Board or its duly authorized agents following a written request by an Owner.

(c) Any complaint, which alleges a violation shall be made in writing and shall contain substantially the same information as that, set forth in the "Violation Complaint Witness Statement". Mail forms to 562 Arlington Place Condominium, 562 W. Arlington Place, Chicago, IL 60610.

(4) Rules Regarding The Use, Administration and Appearance of the Property

(a) Alterations. No alterations of any kind may be made to the exterior portions of any building, including roofs, siding, attic, and grounds in and around the buildings and the lawns except by written consent of the Board.

(b) Antennas. No antennas of any kind may be attached or mounted to any portion of the Property without the express written consent of the building owner and Board. Reasonable request shall not be withheld. Antennas installed indoors do not need such prior written consent.

(c) Awnings or Sunroofs. No awning, sunroof, canopy or shutter of any type is permitted.

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(d) Balconies and Patios

- (i) Owners/Tenants shall keep patios and balconies clean, orderly and free from clutter.
- (ii) Balconies and patios may not be enclosed, altered or the appearance changed in any way, without the prior written consent of the Board.
- (iii) Balconies may not be used for storage.
- (iv) Balconies must not be used as pet runs.
- (v) Upper floors must have any flower box or pot firmly fixed, if placed on the railings.
- (vi) Owners/Tenants are solely liable and responsible for damage by objects which fall from balconies or which are blown from balconies.
- (vii) No items or objects shall be thrown, swept or shaken from balconies.
- (viii) Barbecuing will be allowed outdoors a minimum of 10 feet in front of the garages using a gas grill or a charcoal grill. Grills are not to be stored or used on the balconies. At no time is any hot grill to be left unattended by an adult. Cold grills, extinguished and emptied of all ashes, shall be stored in the unit garage spaces.
- (ix) The covering of windows and other glass surfaces found in doors, patios and balconies shall be covered with one or more of the following: blinds, shades, and/or drapes, which are designed to be used as window coverings. It is preferred that the color white or cream show from the outside.

(5) Common Property.

- (a) Storage of any kind is expressly prohibited on or in any Common Property unless the area is expressly designated for such purpose.
- (b) Clothing, sheets, Blankets, laundry and similar objects shall not be hung out or exposed on balconies, patios, and windows.
- (c) All toys, recreation equipment, bicycles, lawn chairs and the like must not be left on Common Property overnight.
- (d) Any games or other activity which creates a nuisance, damages any Common Property, or disrupts the peace is prohibited on or in any portion of the Common Property.
- (e) Residents may not enclose any portion of the Common Property with a fence or other boundaries.
- (f) Any trees, shrubs, or plantings to be installed on the Property must be approved by the Board or its duly authorized agents, unless otherwise authorized herein.
- (g) Residents are responsible for keeping lawn areas clean and free from debris.

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(6) Parking:

(a) Each unit owner shall have the exclusive license to use one parking space as designated on the lateral survey. Said license shall be subject to all terms and conditions of the Declaration, Bylaws, or amendments thereto for the association.

(b) Car repairs, which cause any type of nuisance, fire hazard, or annoyance to neighbors, are prohibited. Any work or activity producing noise in the parking area is prohibited after 8:00 p.m.

(c) Barbecuing in the parking area is prohibited.

(d) Care and consideration for other must be exercised if the parking area is used for minor repair or maintenance of vehicles.

(e) Garage sales are not permitted.

(7) Garbage and Trash

When disposing of garbage at the curbside, disposable plastic or approved paper bags must be used.

(8) Insurance.

(a) The Resident is responsible for obtaining insurance on the contents of his/her Apartment and for personal liability.

(b) Nothing shall be done or kept in a Unit or in the Common Elements, which will increase the rate of insurance on the Buildings, or contents thereof. No Resident shall permit anything to be done or kept in his Apartment or in the Common Elements, which will result in the cancellation of insurance on the Buildings, or contents thereof, or which would be in violation of any law.

(c) Owner shall name the 562 Arlington Place Condominium Association as additional insured on their policy at all times. Owner shall provide management office with a current certificate of insurance on an annual basis.

(9) Landscaping.

(a) Any sod or other property damaged by the neglect or abuse of tenants, tenant's family or friends on the Property shall be replaced at the expense of the Owner who is responsible.

(b) All containers used for plants must be left empty during winter months.

(c) Seasonal lawn furniture shall be allowed to be stored on balconies and patios during off-season months so long as it is stored in a neat, and not unsightly manner.

In the event any resident stores said items in such a way as to conflict with the terms of this section, the residents and/or owners may be subject to a discretionary fine imposed by the association.

(10) Seasonal Decorations.

(a) No decorations, which create a safety hazard, will be permitted.

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(b) The use of artificial Christmas trees is required due to the potential fire hazard of natural trees.

(c) All decorations must be removed, but no later than two (2) weeks after the holiday, weather permitting.

(11) Signs and Advertisements.

(a) No "For Sale", "For Rent" or "Garage Sale" 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 without the prior written approval of the board.

(b) Directional signs for real estate open houses and similar events may be posted for 12 hours and then must be removed.

(c) Signs may not be attached to the exteriors of any building.

(12) Storm Doors.

All storm doors must be black in color.

(13) Vehicle Regulations.

(a) Personal cars may be parked ONLY in designated, approved areas and not in fire lanes, nor on the grass. No commercial vehicles, snow plows, boats, trailers, mobile homes, campers or any vehicles large than a common van or pickup will be allowed.

(b)C. All vehicles shall be parked within permitted limits or within the lines or other marked boundaries for such vehicles.

(c) All vehicles are restricted to paved surfaces, including driveways and parking areas on the Property. Vehicles shall not be parked, maintained or stored in a manner which interferes with ingress to or egress from a driveway or other portion of the Property.

(d) Parking, maintenance or storage of Non-permitted Vehicles on any portion of the Property is expressly prohibited. However, commercial vehicles may park in permitted areas when used for their normal commercial purposes, so long as such parking is only for the period of time necessary to provide the commercial services requested by a Resident or the Association.

(e) Permitted Vehicles shall not be parked, maintained or stored on a driveway or on any other area reserved for the exclusive use of one Owner without the express permission of the Owner or Resident having the right to exclusive use, possession and control of that area

(f) In addition to providing notice of any violation in accordance with the above provisions, the Board may also take any or all of the following actions:

(i) Record, to the extent possible, the vehicle identification, including license number, vehicle sticker, date of violation, type of violation and vehicle owner, if known, on a

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permanent record of violations, in a form similar to that which is attached hereto as Form 2D. All such records of violations shall be kept by the Association in the manner designated by the Board.

(ii) Notify the local governmental authorities, asking that they issue a citation and remove the vehicle.

(iii) Upon notification of a violation, the Board has the authority to have the vehicle towed.

(iv) In addition to the other provisions for enforcement contained herein and in the Policies and Procedures regarding Enforcement, the Board shall have authority to tow vehicles which are parking in violation of these rules under the following circumstances:

Any non-permitted vehicle as described in the definitions, can be towed after 7 days notice has been posted on the vehicle.

When a vehicle is parked in a fire lane, or any Common Area that is not designated as a parking area, or is parked in a manner which presents an immediate danger to the Property or to the health, safety and welfare of any person thereon, the vehicle may be towed immediately without notice to the vehicle owner.

During or after any snow fall where there is an accumulation of two inches (2 in.) or more and where a vehicle is parked on the Property in such a manner as to interfere with the plowing or removal of snow, the vehicle shall be deemed to be interfering with ingress and egress of vehicles for emergency purposes and may be towed without notice to the vehicle owner.

Any time a vehicle is towed pursuant to these Vehicle Rules, all costs and expenses incurred shall be assessed to the vehicle owner. In the event the vehicle owner is an Owner, the costs and expenses may be assessed to the Owner as a Common Expense.

The Board may designate one or more persons or a committee to send Notice of Violations and to affix violation Notices on vehicles.

(14) Notices and Authorization to Tow.

(a) In order to insure that potential violators have notice of the fact that their vehicles may be towed, and in accordance with the requirements of the law as set forth in the Illinois Motor Vehicle Code, the Association will have signs posted on the property giving notice that violators of the Vehicle Rules may be towed.

(b) The signs shall contain language similar to the following: "Unauthorized vehicles will be towed at Owner's expense." The signs shall have the name, address and phone number of the towing company, the fee which will be charged to the Owner for having the vehicle towed, and the manner in which payment will be accepted.

(c) The sign must be permanently installed with the bottom of the sign not less than four (4) feet above ground level and must be continuously maintained on the Property for not less than twenty-four (24) hours prior to the towing of a vehicle.

(d) The Board or its duly authorized agents shall notify the appropriate companies or individuals to remove vehicles. In addition, when any tow is authorized under these rules, the duly authorized agents for the Association shall notify the local police to provide them with the appropriate

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information concerning the two and to request their assistance in order to insure that no breach of the peace will occur.

(e) The Board may enter into an agreement with an appropriate company or individual to effect removal of vehicles pursuant to authorization under these Vehicles' Rules.

(15) Legal Actions and Parties of the Law Suit

(a) Each Building Owner shall be required to serve written notice to the managing agent of the Building Owner's Association and/or the President of the Board of Directors of any intent of a legal proceeding, legal proceeding or court case filed wherein they are named as either Plaintiff or Defendant of said lawsuit.

(b) Each Building Owner shall be responsible to provide full disclosure of all communications during the course of a legal proceeding in which they are a party pertaining to this Property.

(c) The Board of Directors, on behalf of the Association, shall have the right but not obligation to file an appearance on any case or legal proceeding in which a portion of the property located in the Association is pertaining.

(d) In the event a building owner is party to a Forcible Entry and Detainer Action, said owner shall be solely responsible for the eviction process to occur on the Cambridge, or Lake Shore Drive Roads. No personal property shall be left on Association property at any time during the actual eviction process.

(e) In the event the association incurs any cost as a result of overseeing any aspect of the eviction process, or the enforcement of this provision, then the cost of said services shall be placed solely on the building owner.

(16) Residential Association's Right of Entry.

The Residential Association or its agents or contractors, upon twenty-four (24) hour notice or, in the case of an emergency, without notice, shall have the right to enter any Dwelling Unit, including any of the appurtenant Limited Common Elements, when necessary in exercise of its powers hereunder 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 Building Owners as practicable, and the Residential Association, as a Common Expense, shall repair any damage caused thereby.

(17) Leasing of a Dwelling Unit.

Regardless of the number of units being used as rental units, no tenant shall be allowed to possession and use of the rental unit without first being interviewed by the Board, and received written permission for possession and use of the property. Permission from the Board shall not be unreasonably withheld and shall abide and be subject to the fair housing laws in place by any governing body for the subject property at any time.

(18) Loitering in Common Areas.

Loitering in the outside common areas is strictly prohibited. This includes, but is not limited to the parking lots, and access ways, pond areas and those areas between buildings. Any actions disturbing the peace and quiet of those residents around the complex shall be deemed as a violation of this

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provision. Such activities include, but is not limited to ball playing, Frisbee, hackey sack, fireworks, any loud and/or obnoxious behavior, or general roughhousing.

(19) Registration of Tenants/Occupants and Building Owners.

The association shall be provided current home, office and cell numbers of all building owners. The building owners shall also be responsible for providing the association a complete and current list of names of all tenants and/or occupants with their corresponding addresses, home, work and cell telephone numbers. Building owners shall also be responsible to furnish the association with a complete list of their tenants' and/or occupants' vehicles license plate numbers. The purpose of this section is to assure the association has contact names and numbers in the event of an emergency, as well as the ability to accurately oversee the property.

(20) Damage Caused by Unit Owner.

If, due to the act of or the neglect of a Resident of a Unit, a household pet, guest or other occupant or invitee of such Resident, 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 Unit Owner of the Dwelling Unit which such Resident resides 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 Residential Association, including, without limitation, the deductible amount under any applicable insurance policy.

(21) No Unsightly Uses.

No clothes, sheets, blankets, laundry of any kind, or other similar articles shall be hung out on the part of the Common Elements except as permitted by rules and regulations of the Board. The Condominium Property shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Board. Parking on the Condominium Property, shall be subject to the rules and regulations of the Board.

(22) Forcible Detainer.

In the event that a Unit 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 Unit Owner hereunder, the Board shall have the right to take possession of the Unit Owner's Dwelling Unit and to maintain for the benefit of all other Unit Owners an action for possession on the manner prescribed by "An Act in Regard to Forcible Entry and Detainer" (as may be recodified), as provided in the Act. In the event the Sheriff's Office is required to evict any tenant, Owner shall be responsible for the cost of having all property removed from the common grounds. All property is to be placed on the main access routes of the property, and not the shared driveway areas, or the front of the buildings.

As stated herein above, Landlord shall notify management agent of any Forcible Entry and Detainer Action for any unit in the complex.

o. Waiver of Notice

Whenever any notice is required to be given under the provisions of the Illinois General Not-For-Profit Corporation Act or under the provisions of the Articles of Incorporation or the By-Laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

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p. Amendments

The power to alter, amend the By-Laws or adopt new. By-Laws shall be vested in the Board of Directors unless otherwise provided in the Articles of Incorporation or the By-Laws. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. The By-Laws may contain any provisions for the regulation and management of the affairs for the Corporation not inconsistent with law or the Articles.

13. Violation of Declaration. The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or in the Bylaws contained shall, in addition to any other rights provided for in this Declaration or the Bylaws, give the Association the right (a) to enter on the Unit or any portion of the Property on which, or as to which, such violation or breach exists, and to summarily enter and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and neither the Association, nor the officers, employees, or agents thereof, shall thereby be deemed guilty in any manner of trespass, or (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

Provided, however, that, except in cases of emergency when damage to persons or property is threatened, the Association shall not take any such action unless (a) it has first given the Unit Owner alleged to have violated any restriction, condition, or regulation adopted by the Association, or to be in breach of any covenant or provision herein or in the Bylaws contained, a hearing on such allegations pursuant to rules and regulations adopted by the Association; (b) the Association shall have determined such allegations to be true; and (c) the Unit Owner shall not have desisted from such violation or breach or shall not have taken such steps as shall be necessary to correct such violation or breach within such reasonable period of time as determined by the Association and communicated to the Unit Owner. Any and all costs and expenses incurred by the Association in the exercise of its authority, as granted in this Paragraph 12, including but not limited to court costs, reasonable attorneys' fees as determined by a court of competent jurisdiction, and cost of labor and materials, shall be paid by the Unit Owner in violation and, until paid by such Unit Owner, shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Any such lien shall be junior and subordinated to the lien of a First Mortgage with respect to such Unit.

Furthermore, if, after hearing and finding as aforesaid, the Unit Owner fails to desist from such violation or to take such corrective action as may be required, the Association shall have the power to issue to the defaulting Unit Owner a ten- (10-) day notice in writing to terminate the rights of the defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use, or control his Unit and the Common Elements appurtenant thereto, and thereupon an action in equity may be filed by the Association against the defaulting Unit Owner for an order declaring the termination of the defaulting Unit Owner's right to occupy, use, or control the Unit owned by him and the Common Elements appurtenant thereto, on account of the violation of a rule or breach of covenant or provision as aforesaid, and ordering that all the right, title, and interest of the Unit Owner in the Property shall be sold at a judicial sale on such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Unit Owner from reacquiring his interest at such judicial sale or by virtue of the exercise of any right of redemption that may be established, and except that the court

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shall direct that any mortgage of a First Mortgagee be retired out of the proceeds of such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in the order. Any balance of proceeds after satisfaction of such charges, and any unpaid assessments hereunder, or any liens in favor of a First Mortgagee, shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit and, subject to the first right and option of the Association as provided in Paragraph 7e above, to immediate possession of the Unit sold and may apply to the court for an order of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the order shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

Any Unit Owner in default hereunder or under the provisions of the Bylaws or any rule or regulation adopted by the Association shall pay to the Association, as an agreed Common Expense with respect to his Unit, all attorneys' fees incurred by the Association in enforcing the provisions of the Bylaws, this Declaration, or the rules and regulations of the Association as to which the Unit Owner is in default. Until such fees are paid by the Unit Owner, the amount thereof shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Any such lien shall be junior and subordinate to the lien of a First Mortgagee with respect to such Unit.

14. Grantees. Each grantee of the Developer, the Developer, or a subsequent Unit Owner, each purchaser under Articles of Agreement or Deed, and each tenant under a lease accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens, and charges, the Bylaws, the rules and regulations of the Association, and the jurisdiction, rights, and powers created or reserved by this Declaration and the provisions of the Act, as at any time amended, and all easements, rights, benefits, and privileges of every character hereby granted, created, reserved, or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any Person having at any time any interest or estate in said land, and shall inure to the benefit of each grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

15. Failure To Enforce. No terms, obligations, covenants, conditions, restrictions, or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce them, no matter how many violations or breaches may occur.

16. Notices. Whenever any notice is required to be given under the provisions of this Declaration or the Bylaws, a waiver thereof in writing by the Person or Persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of such notice, provided such waiver or the time of giving it is not contrary to the provisions of the Act. Notices required to be given to any devisee or personal representative of a deceased Unit Owner shall be delivered by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased owner is being administered.

17. Amendments. Except as hereinafter otherwise provided, the provisions of Paragraphs 1, 2, 3, 4, 5, 6, 13, 24, and this Paragraph 16 of this Declaration may be amended, changed, or modified by an instrument in writing, setting forth such amendment, change, or modification, signed and acknowledged by all members of the Board, all of the Unit Owners, and each mortgagee having a bona fide lien of record against any Unit. Except as herein otherwise provided, other provisions of this Declaration may be amended, changed, or modified on a vote of a majority of the Board voting, and at least 75% of the Unit Owners, by an instrument in writing setting forth such amendment, change, or

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modification, signed and acknowledged by an authorized officer of the Board and containing an affidavit by an officer of the Association certifying that (a) at least 66 $\frac{2}{3}$ % of the Unit Owners have approved such amendment, change, or modification, and (b) a copy of the amendment, change, or modification has been mailed by certified mail to all mortgagees having bona fide liens of Record against any Unit, not less than ten (10) days before the date of such affidavit. The approval of eligible First Mortgagees (*i.e.*, First Mortgagees who have requested that the Association notify them of amendments affecting the matters described in (a) through and including (o) below) of 51% of Units that are subject to a mortgage or trust deed shall be required to materially amend any provisions of the Declaration or Bylaws or to add any material provisions thereto that establish, provide for, govern, or regulate any of the following:

- a. Voting;
- b. Increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or subordination of such liens;
- c. Reduction of Reserves for maintenance, repair, and replacement of the Common Elements;
- d. Insurance or fidelity bonds;
- e. Rights to use of the Common Elements;
- f. Responsibility for maintenance and repair of the Common Elements;
- g. The addition, annexation, or withdrawal of property to or from 562 Arlington Place Condominium;
- h. Boundaries of any Unit;
- i. Interests in the Common Elements or Limited Common Elements;
- j. Convertibility of Units into Common Elements or of Common Elements into Units;
- k. Leasing of Units;
- l. Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit in the condominium;
- m. Establishment of self-management by the Association when professional management has been required by FHLMC, FNMA, HUD, FHA, or VA.
- n. Hazard or fidelity insurance requirements; or
- o. Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

Any amendment, change, or modification shall conform to the provisions of the Act and shall be effective on recordation thereof. No change, modification, or amendment that affects the rights, privileges, or obligations of the Developer or the Developer shall be effective without the prior written consent of the Developer or Developer. The Bylaws may be amended in accordance with the provisions of Article XII thereof.

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18. **Arbitration.** Any controversy between or among Unit Owners, or any claim by a Unit Owner against the Association, arising out of or relating to the Declaration, Bylaws, or rules and regulations of the Association in which the matter in controversy has either no specific monetary value or a value of \$10,000 or less shall be settled by arbitration in accordance with the Rules of the Illinois Uniform Arbitration Act, with the disputants to share equally in the costs of arbitration.

19. **Engineer's Apartment.** The Developer reserves the right and agrees to cause the Developer to convey one Unit to the Association subject to this Declaration, the Act, covenants, conditions, easements, restrictions of record, and, in general, all matters that buyers of Units from the Developer take title subject to as set forth in real estate purchase contracts between the Developer and buyers of Units, for use as an engineer's apartment or such other lawful use as the Association deems proper. From and after said conveyance to the Association, the Association shall perform, on behalf of all Unit Owners, all of the obligations appurtenant to such Unit. All costs incurred by the Association with respect to such Unit (including, but without limitation, real estate taxes, repairs, maintenance, decorating, utility charges, and similar expenses) shall be deemed to be and shall be included as Common Expenses assessed pursuant to this Declaration in the same manner as would have been required had such Unit been established as part of the Common Elements rather than as a Unit, until such time as such Unit is no longer used as a building engineer's apartment, at which time the aforesaid costs shall be borne by the owner thereof.

20. **Condemnation.** In the event of a taking or condemnation by competent authority of any part of the Property, the Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as close as possible to the general design, structure, and materials used with respect to the improvements as they existed before the taking or condemnation. 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 Act, and the percentage of ownership interest in the Common Elements allocated to such Unit or portion thereof (as determined by the Board on the basis of diminution in market value of the Unit) shall be reallocated among the remaining Units on the basis of the relative percentage of ownership interests in the Common Elements of the remaining Units. In such cases, this Declaration and the Plat shall be amended accordingly, pursuant to the provisions of the Act. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage of interest in the Common Element. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

21. **Violations of Certain Rules.** If any of the options, privileges, covenants, or rights created by this Declaration shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of William J. Clinton, the now incumbent President of the United States, and Albert Gore, Jr., the now incumbent Vice President of the United States.

22. **Severability.** The invalidity of any restriction hereby imposed, or of any provision hereof, or of any part of such restriction or provision, shall not impair or affect in any manner the validity,

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enforceability, or effect of the rest of this Declaration, and all of the terms hereof are hereby declared to be severable.

23. Construction. The provisions of this Declaration shall be liberally construed to effect its purpose of creating a uniform plan for the development and operation of a first-class condominium development.

24. Changes or Modifications by the Developer. Until the election of the Initial Board of Managers, the Developer, or its successors or assigns, shall have the right to change or modify the Condominium Instruments, which change or modification shall be effective on the recording thereof, provided further that such right shall be exercised only (a) to bring the Declaration into compliance with the Act, (b) to correct clerical or typographical errors in the Declaration, or (c) to conform the Condominium Instruments to the requirements of FHLMC or the FNMA with respect to condominium projects. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make any change or modification as authorized hereunder on behalf of each Unit Owner as attorney in fact for such Unit Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Developer as aforesaid.

25. Rights of First Mortgagees. Any mortgage or trust deed owned or held by a First Mortgagee and Recorded before the Recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his share of the monthly assessment when due shall be superior to the lien of such unpaid Common Expenses set forth in the notice and to all assessments for Common Expenses that become due and are unpaid subsequent to the date of Recording of such first mortgage or first trust deed. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the mortgage or trust deed, foreclosure of the mortgage or trust deed, or deed (or assignment) in lieu of foreclosure, shall not be liable for and shall take the Unit and its proportionate interest in the Common Elements free from claims for unpaid common or special assessments levied by the Association that accrue before the date of possession as aforesaid.

a. A First Mortgagee, or an insurer or guarantor of the note held by a First Mortgagee, on written request to the Association (such request to state the name and address of such First Mortgagee, insurer, or guarantor and identification of the Unit encumbered by the mortgage held by such First Mortgagee), shall be entitled to timely written notice of

- (1) Any proposed action that requires the consent of a specified percentage of eligible First Mortgagees;
- (2) Any proposed termination of the condominium project;
- (3) Any condemnation loss or any casualty loss that exceeds \$10,000 and affects a portion of the Common Elements, or that exceeds \$1,000 and affects any Unit on which there is a first mortgage held, insured, or guaranteed by such eligible holder;
- (4) Any delinquency in the payment of assessments or charges owed by an owner of a Unit subject to the mortgage of a First Mortgagee, insurer, or guarantor, when such delinquency has continued for a period of 60 days; and
- (5) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

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b. Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications for the Building unless the approval is obtained from at least 67% of the Unit Owners and the eligible First Mortgagees of Units that represent at least 51% of the Units subject to mortgages or trust deeds held by eligible First Mortgagees.

c. Any election to terminate the condominium project after substantial destruction or substantial taking by condemnation of the Property shall require the approval of at least 67% of the Unit Owners and the eligible First Mortgagees of Units that represent at least 51% of the Units subject to mortgages or trust deeds held by eligible First Mortgagees.

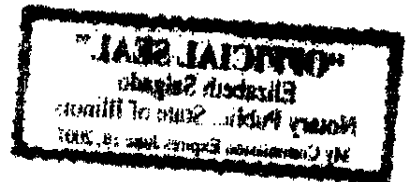
d. Any election to terminate the condominium project for reasons other than substantial destruction or condemnation of the Property shall require the approval of at least 67% of the Unit Owners and the eligible First Mortgagees of Units that represent at least 67% of Units subject to a mortgage or trust deed held by an eligible First Mortgagee.

26. Developers. In the event title to any Unit should be conveyed to a land trust under which all powers of management, operation, and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust and the beneficiaries thereunder from time to time shall be liable for payment of any obligation, lien, or indebtedness chargeable or created under this Declaration against such Unit. No claim shall be made against any such title holding Developer personally for payment of any claim, lien, or obligation hereby created, and the Developer shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or lien on the premises notwithstanding any transfer of beneficial interest or the title of such real estate.

27. Execution by the Developer. It is expressly understood and agreed, anything herein to the contrary notwithstanding, that each and all of our representations, covenants, undertakings, and agreements herein made on the part of the Developer while in form purporting to be the representations, covenants, undertakings, and agreements of said Developer are nevertheless, each and every one of them, made and intended not as personal representations, covenants, undertakings, and agreements by the Developer or for the purpose or with the intention of binding said Developer personally, but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Developer not in

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EXHIBIT A

LEGAL DESCRIPTION OF UNDERLYING LAND

THE WEST 25 FEET OF THE EAST 50 FEET OF LOT 38 IN DEMING & OTHER'S
SUBDIVISION OF OUT LOT "C", IN WRIGHTWOOD, A SUBDIVISION OF THE
SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF
THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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EXHIBIT

Doc#: 0519932019
Eugene "Gene" Moore Fee: \$242.00
Cook County Recorder of Deeds
Date: 07/18/2005 09:05 AM Pg: 1 of 5

ATTACHED TO

50 pages
1 EX
51 Total

DOCUMENT

SEE PLAT INDEX

Property of Cook County Clerk's Office


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I CERTIFY THAT THIS
IS A TRUE AND CORRECT COPY

OF DOCUMENT # 0519932019

SEP 18 14


RECORDER OF DEEDS COOK COUNTY

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EXHIBIT C
SCHEDULE OF
PERCENTAGE OF OWNERSHIP
INTEREST IN COMMON ELEMENTS

Property of Cook County Clerk's Office

Unit
1
2
3
4

Percentage of Ownership
Interest in the
Common Elements
39.5%
20.0%
20.0%
20.5%

