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COOK COUNTY RECORDER OF DEEDS

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**DECLARATION OF PARTY WALL RIGHTS,
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR THE GATEWAY TOWNHOME ASSOCIATION**

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THIS DECLARATION OF PARTY WALL RIGHTS, COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE GATEWAY TOWNHOME ASSOCIATION (this "**Declaration**") is made and entered into as of the 14th day of November, 2019, by **Gateway Northbrook Owner, LLC, a Delaware limited liability company and its successors and/or assignees**, (hereinafter referred to as "**Declarant**").

WITNESSETH:

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

B. Declarant intends to construct on or convert the Property to a development containing sixty-eight (68) Townhome Units, as hereinafter defined, together with certain common areas which will require continuing care and maintenance for the privacy, benefit and enjoyment of all persons owning and residing in the Townhome Units.

C. Declarant has deemed it desirable for the efficient preservation of the values and amenities of the Property to create an agency to which shall be delegated and assigned the powers of maintaining and administering aspects of the Townhome Units and the Townhome Common Area, as hereinafter defined, and administering and enforcing the covenants and restrictions hereinafter contained and created.

D. The Association (as hereinafter defined) has been incorporated under the laws of the State of Illinois, as a not-for-profit corporation for the purpose of exercising the functions aforesaid.

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

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be transferred, held, sold, conveyed and accepted subject to this Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements. Declarant does hereby further declare that the following easements, covenants, restrictions, conditions, burdens, uses, privileges, charges and liens shall: (1) exist at all times hereafter amongst all parties having or acquiring any right, title or interest in any portions of the Property; (2) be binding upon and inure to the benefit of each Townhome Unit Owner (as hereinafter defined); and (3) run with the land subjected to this Declaration, to be held, sold and conveyed subject thereto.

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ARTICLE I

DEFINITIONS

"**Association**" shall mean and refer to an Illinois not-for-profit corporation, its successors and/or assigns, to be known by the name of "Gateway Townhome Association", or such other name or names as Declarant shall designate. All Townhome Unit Owners shall be members of the Association, as more particularly described in this Declaration.

"**Board**" shall mean the Board of Directors of the Association as constituted at any time or from time to time, in accordance with the applicable provisions of Article III.

"**Building**" shall mean a portion of the Property which consists of Twelve (12) structures which contains Townhome Units, including, without limitation, the structural components of such structure, the roofs and other exterior portions of the structure, but excluding garage doors, all exterior doors, individual patios, windows, side lights, and fixtures.

"**By-Laws**" shall mean the By-Laws of Gateway Townhome Association, a copy of which is attached as Exhibit "B" hereto and by this reference made a part hereof.

"**Declarant**" shall mean and refer to Gateway Northbrook Owner, LLC, a Delaware limited liability company, or its assignees.

"**Declaration**" shall mean this Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for the Gateway Townhome Association.

"**Eligible Mortgage Holder**" shall mean each holder of a first mortgage on a Townhome Lot or Townhome Unit that has requested in writing that the Association notify it of any proposed action that requires consent of a specified percentage of mortgage holders.

"**Material Amendment**" shall mean any amendment to this Declaration, By-Laws or the Association's articles of incorporation that would change any of the following in a manner other than as expressly provided herein: voting rights in the Association; assessment liens, subordination of assessments liens; rights to, or use of, the Townhome Common Area; termination of the legal status of the Association or the Property following substantial destruction or condemnation; or any provisions that expressly benefit holders, insurers or guarantors of mortgages secured by portions of the Property.

"**Member**" shall mean and refer to any person or entity who holds membership in the Association.

"**Occupant**" shall mean any person or persons other than the Townhome Unit Owner in possession of a Townhome Unit.

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"Property" shall mean and refer to that certain real estate described in Exhibit "A" attached hereto and by this reference made a part hereof and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

"Townhome Common Area" does not mean Common Area as might normally be understood, but shall mean the areas of the Townhome Lots on which are located paved or concrete surfaces providing vehicular and pedestrian ingress and egress to and from the Townhome Units, landscaping originally installed by Declarant or existing, utility service lines and other facilities "common" to all of the Townhome Units as may be designated by Declarant from time to time, including but not limited the real property legally described on Exhibit "D", which is attached hereto and made apart hereof. The Townhome Common Area shall be maintained by the Association notwithstanding its location on individual Townhome Lots.

"Townhome Lot" shall mean and refer to each of the sixty-eight (68) parcels legally described on Exhibit "C" attached hereto upon which Townhome Lot a Townhome Unit is constructed or to be constructed.

"Townhome Unit" shall mean a single family attached residential housing unit consisting of one or more rooms which are designed or intended for the exclusive use as living quarters for one family and which is located upon a separate Townhome Lot even though such Townhome Unit shares a common exterior wall, roof or other structural or common component (including access) with one or more other Townhome Units.

"Townhome Unit Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Townhome Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The term "Townhome Unit Owner" shall include Declarant to the extent of the number of Townhome Lots and/or Townhome Units owned by Declarant and also includes the interest of Declarant as contract seller of any Townhome Lot and/or Townhome Units.

"Transfer Date" shall mean the date which is the earlier of: (i) the 60th day after the date on which seventy five percent (75%) of the Townhome Lots have been conveyed to Townhome Unit Owners other than Declarant, (ii) three (3) years after the first Townhome Lot is conveyed to a Townhome Unit Owner other than Declarant or (iii) such date as Declarant may determine prior to the occurrence of the events set forth in the foregoing clauses (i) and (ii).

"Village" shall mean the Village of Northbrook, an Illinois municipal corporation.

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MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Townhome Lot which is subject by covenants of record to assessment by the Association, including a contract seller, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Townhome Unit Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Townhome Lot which is subject to assessment by the Association. Townhome Unit Ownership of such Townhome Lot shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Townhome Lots. Voting rights with regard to each Member are set forth in Article III hereof.

ARTICLE III

VOTING RIGHTS AND BOARD OF DIRECTORS

3.1 The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Townhome Unit Owners as defined in Article II, provided that Declarant shall not be a Class A Member until the Transfer Date. Class A Members shall be entitled to one vote for each Townhome Lot in which they hold the interest required for membership pursuant to Article II. When more than one person holds such interest in any Townhome Lot, all such persons shall be Members. The vote for such Townhome Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Townhome Lot. All Members holding any interest in a single Townhome Lot shall together be entitled to cast only one vote for the Townhome Lot.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to three (3) votes for each Townhome Lot in which it holds the interest required for membership by Article 2; provided that the Class B membership shall cease and be converted to Class A membership on the Transfer Date.

3.2 The provisions of Section 3.1 hereof shall be mandatory. No owner of any interest in any Townhome Lot shall have any right or power to disclaim, terminate or withdraw from his membership in the Association or any of his obligations as such Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such owner shall be of any force or effect for any purpose.

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3.3 The Association shall have a Board of five (5) Directors who shall be elected by the Members of the Association at such intervals as the corporate charter and By-Laws of the Association shall provide, except that vacancies in the Board occurring between regularly scheduled meetings of the Members may be filled by the Board by a two thirds (2/3) majority vote of the remaining Members of the Board or at the request of Members holding at least twenty percent (20%) of the votes of the Association requesting a meeting of the Members of the Association to fill the vacancy for the balance of the term. The first Board may be appointed by Declarant (or its beneficiary or designee). Each member of the Board, with the exception of the Board members initially appointed by Declarant (or its designee) shall be one of the Townhome Unit Owners (including Declarant); provided, however, that in the event a Townhome Unit Owner is a corporation, partnership, trust, limited liability company, or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, manager or member or such limited liability company, or manager or principal of such legal entity, shall be eligible to serve as a member of the Board and provided further that in the event a member of the Board has entered into a contract to sell his Townhome Unit and vacates the Townhome Unit prior to the consummation of that transaction, such member shall no longer be eligible to serve on the Board and his term of office shall be deemed terminated. The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board who shall manage and conduct the affairs of the Association under the direction of the Board. Except as expressly otherwise provided by the Association's articles of incorporation, this Declaration or the By-Laws, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in its Board from time to time and its officers under the direction of the Board, and shall not be subject to any requirement of approval on the part of its Members. The articles of incorporation and By-Laws of the Association may include such provisions for the protection and indemnification of its officers and directors as shall be permissible by law.

3.4 The Association, being a not-for-profit corporation, shall not distribute to its Members any sums in the nature of dividends upon its shares. To the extent that funds shall not be required for current expenditures or for such reserves, the next monthly assessments may, in the discretion of the Board, be eliminated or the amount thereof appropriately reduced. Such reduction shall not prevent reinstatement of, or increase in, such assessments when required, but such reinstatement or increase shall not be retroactive.

3.5 Whenever possible, the Association shall perform its functions and carry out its duties by entering into agreements for the performance thereof with such persons and business entities regularly engaged in the performance of generally similar functions and duties as the Board shall determine, which agreements shall be for such length of time, at such rates of compensation and upon such other terms and provisions as the Board shall determine from time to time provided however, that if the Association, Declarant or Board shall enter into a lease, contract or an agreement, including but not limited to an agreement or agreements for the professional management of the Property, before the Transfer Date, each such agreement shall

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provide that it is terminable by the Association without cause at any time after the Transfer Date and shall not require the payment of any penalty by the Association and shall not require advance notice of termination of more than ninety (90) days. Such persons or business entities may, but need not, be persons or business entities owning or otherwise directly or indirectly interested in the Property or any part thereof. The Association itself shall also have power to perform its functions and carry out its duties.

3.6 The Association, through the resolutions of the Board, shall have the right to adopt rules and regulations governing the Townhome Lots and Townhome Common Area and the use thereof provided, however, that no rule or regulation shall conflict with this Declaration or any applicable laws, ordinances or codes.

3.7 A copy of this Declaration, the By-Laws and the Association's books, records and financial statements to be kept by the Board shall be available for inspection by any Townhome Unit Owner or any representative of an Townhome Unit Owner duly authorized in writing, or any holder, insurer or guarantor of a first mortgage lien on a Townhome Lot at such reasonable time or times during the normal business hours as may be requested by the Townhome Unit Owner or by the holder of said first mortgage lien.

ARTICLE IV

PROVISIONS RELATING TO THE TOWNHOME COMMON AREA

4.1 Every Townhome Unit Owner and such Townhome Unit Owner's tenants, guests and invitees shall have a right and non-exclusive easement in, over, upon and to the Townhome Common Area and over the property in Exhibit "D" for the benefit of the property described in in Exhibit "C" for purposes of vehicular and pedestrian ingress and egress, parking, landscaping and other common facilities from time to time located thereon and the Townhome Common Area shall be held for the use and benefit of each Townhome Unit Owner (and said Owner's tenants, guests and invitees), and such easement shall be appurtenant to and shall pass with the title to every Townhome Lot provided, however, that each Townhome Unit Owner shall be entitled to the exclusive use and possession of that portion of the driveway, driveway apron, service walk, entry walkway, entry stairs or stoops, mechanical equipment, patio, deck, lawn area immediately adjacent to the front and rear of the Townhome Lot, window wells and all other similar improvements or architectural elements located on, and exclusively serving, such Townhome Unit Owner's Townhome Lot, except as otherwise provided herein.

4.2 Each Townhome Unit Owner and such Townhome Unit Owner's tenants, guests and invitees shall have a right and easement in, over, upon and to any and all sidewalks and lawns (except for the lawn areas and entry walkway located immediately adjacent and appurtenant to the front of the other Townhome Lots) located in the Townhome Common Area for the purposes of pedestrian ingress and egress.

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4.3 There shall be located upon the Townhome Common Area (i) such drives, driveways or portions thereof and walks as shall be necessary to provide ingress and egress to and from the Townhome Lots and Townhome Units for the use and benefit of the Townhome Unit Owners of the Townhome Lots and their guests and invitees, and (ii) such additional landscaping and walks, as Declarant or the Association shall from time to time determine, which shall be in compliance with such governmental laws, ordinances and regulations as shall be in effect during the development of the Property. Further, except for the front yards for the Units abutting Sherman Avenue, each Townhome Unit Owner shall have the right, upon receiving the prior approval of the Board, to locate additional landscaping in the Townhome Common Area at his or her sole cost and expense, and the Board reserves the right to levy additional specific assessments against any Townhome Unit Owner for any additional costs to the Association in connection with such landscaping.

4.4 Any Townhome Unit Owner may delegate, in accordance with this Declaration and the By-Laws, such Townhome Unit Owner's right of ingress and egress to and from the Townhome Common Area and the use of the other common facilities from time to time located thereon to the members of his family, occupants, guests, invitees, tenants or contract purchasers who reside on the Property.

4.5 Notwithstanding anything in this Declaration to the contrary, Declarant, its beneficiary, agents, employees, guests and invitees shall have, and hereby expressly reserves, the right and easement of parking, ingress and egress in, over, upon, under and across, and the right of use of, all portions of the Townhome Common Area for sales, marketing and construction purposes until Declarant has conveyed all of the Townhome Lots to the purchasers thereof.

(a) The Association shall have the right and duty to repair and maintain the Townhome Common Area which shall include, without limitation, private drives and driveways, service walks, seating areas, entry walkways, entry stairs and stoops, roofs and site landscaping, including lawns, located in or upon the Townhome Common Area as well as the right and duty to repair and maintain the sanitary and water lines servicing individual Townhome Units with identical quality of materials shall be used to repair and maintain any portion of the Townhome Common Area.

(b) The Association shall have the right of ingress and egress over and upon the Property for any and all purposes in connection with the use, maintenance, construction, operation, repair and reconstruction of the Townhome Common Area.

(c) The Association, through resolutions of the Board, shall have the right to adopt rules and regulations governing the use, maintenance and administration of the Townhome Common Area and for the health, comfort, safety and general welfare of persons using the Townhome Common Area.

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4.6 Notwithstanding any provisions herein to the contrary, the easements herein created shall be subject to:

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

b. Easements of record (or any recorded rights to grant additional easements) existing on the date hereof and any easements which may hereafter be granted by Declarant or the Association to any public utilities or governmental bodies for the installation and maintenance of electrical and telephone conduit and lines, gas pipes, sewers or water mains and pipes, or any other utility services serving any Townhome Lot and to any provider of cable television service.

4.7 Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Townhome Common Area to or for any public use or purpose whatsoever.

4.8 All areas of, and facilities from time to time located upon, the Townhome Common Area, shall be maintained by the Association in such a manner as to ensure the proper use and functioning of such areas and facilities as originally designated and/or constructed.

4.9 The Association shall pay, as agent and on behalf of the Townhome Unit Owners and out of the funds furnished to it by them for such purpose, all tax and other governmental impositions levied upon the Townhome Common Area or any part thereof, if any.

4.10 The Townhome Common Area shall at all times be used and maintained in compliance with all applicable ordinances, codes and regulations of the Village.

ARTICLE V

MAINTENANCE OF TOWNHOME LOTS, EXTERIOR OF THE BUILDINGS AND TOWNHOME UNITS

5.1 The Association shall determine the need for and may carry out or cause to be performed all maintenance and repair to the exteriors of the Buildings and, as hereinafter set forth, the Townhome Lots upon which they are located, including, without limitation, building and garage exteriors (but not including garage doors or any exterior doors, individual patios, windows, fixtures or side lights), roofs, siding and trim, building foundations, entry walkways, entry stairs and stoops, gutters and downspouts, all as may be necessary or desirable as a result of natural or ordinary wear and deterioration, all as is determined by the Association in its sole

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discretion. The Association shall, in addition, determine the need for, and shall carry out or cause to be performed, all maintenance and repair of those gas, telephone and electrical lines incorporated in and forming a part of one or more Townhome Units as originally constructed that pass through one or more other Townhome Units to provide such service. Such maintenance and repair shall not include the maintenance or repair of any furnaces, water heaters, stoves, refrigerators, washing machines or household appliances, glass surfaces, garage doors, any exterior door, window, fixture or side light, individual patios, air conditioners and compressors, any other portion of a Townhome Unit which serves only that Unit or the interior of any Townhome Unit or portion thereof (except as otherwise expressly set forth above). In the event that the need for maintenance or repair is caused through the willful or negligent act of the Townhome Unit Owner, his family, tenant(s), guests or invitees, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Townhome Lot is subject. The Association shall, in addition, be responsible for the proper maintenance and inspection of all landscaping, streets, sidewalks, private drives and driveways, entry walkways, entry stairs and stoops, detention areas, catch basins, storm water pipes, storm water collection systems, the StormTrap management systems and service walks located on the Townhome Common Area. All maintenance of the StormTrap Management Systems shall be conducted in accordance with the methods and schedules set forth in the StormTrap Maintenance Manual attached hereto as Exhibit E. All maintenance of the Water Reclamation Pumping System shall be conducted in accordance with the methods and schedules set forth in the Water Re-Use System Operation Notes, attached hereto as Exhibit F and the Association shall inspect and exercise the system every thirty (30) days. Further, the Association shall be responsible for the snowplowing of the paved areas of the Townhome Common Area (which may include snow removal from the entry walkways), snow removal from the public carriage walks along Shermer Road and the disposal thereof or storage of such snow on appropriate areas of the Townhome Common Area. The Association shall be responsible for the snowplowing of the streets, sidewalks, drives and driveways located on the Townhome Common Area and on the Townhome Lots and the disposal thereof or storage of such snow on appropriate areas of the Townhome Common Area.

5.2 Each Townhome Unit Owner shall have the obligation to maintain in good condition and repair all glass surfaces, garage doors, individual patios, all exterior doors, windows, fixtures and side lights, electrical fixtures, and air conditioners and compressors which are a part of, attached to, or serve exclusively, said Townhome Unit Owner's Townhome Unit. Upon the failure of any Townhome Unit Owner to maintain those areas not the maintenance responsibility of the Association, the Association, through its agents and employees, is hereby granted the right to enter upon the Townhome Lot and into the Townhome Unit thereon and make such reasonable repairs, maintenance, rehabilitation or restoration thereof as may be necessary, and the costs thereof shall become a lien upon the Townhome Lot in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments.

5.3 At the discretion of the Association, all water service, whether or not separately metered or otherwise directly charged to individual Townhome Unit Owners, shall be paid for by

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the Association from the assessments levied hereunder. The Association shall have the right to draw water from the exterior taps of individual Townhome Units as required for the efficient performance of its duties hereunder without contribution or payment.

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

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

6.1 Each Townhome Unit Owner by reason of the acceptance of a deed, (excluding the Declarant or any Lot utilized by Declarant), is deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for capital improvements and unforeseen expenses, to be collected from time to time, as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a lien upon the Townhome Lot (except a Townhome Lot owned by Declarant) against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorneys' fees, shall be the personal obligation of the person who was the Townhome Unit Owner of such Townhome Lot at the time when the assessment fell due. The personal obligation of a Townhome Unit Owner shall not pass to his successors in title unless expressly assumed by them. Both annual and special assessments shall be fixed at a uniform rate for all Townhome Lots. The annual assessments or charges or special assessments shall be collected in one lump sum or in installments, as shall be approved and directed by the Board. This payment shall be in addition to the prorated portion of the monthly assessment which Townhome Unit Owner shall pay as of the date title to his Townhome Lot is conveyed. The Association shall upon demand at any time furnish a certificate in writing signed by an officer or agent of the Association setting forth whether the assessments on a specified Townhome Lot have been paid and, if not paid, the amount of any such deficiency. Such certificate shall be conclusive evidence of payment of any assessment therein.

6.2 The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of the Townhome Common Area, and of the Townhome Units situated upon the Property. Such uses shall include, but are not limited to, the cost to the Association of any taxes, insurance, repair, replacement and maintenance of Townhome Common Area, and of the maintenance and repair of the Townhome Lots and the

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exteriors of the Buildings (except as otherwise provided herein) as may from time to time be authorized by the Board, and other facilities and activities including, but not limited to, caring for the streets, sidewalks, grounds, landscaping, equipment, sanitary and storm sewer and water service lines which service more than one Townhome Unit, structures and appurtenances (other than facilities and activities maintained by any governmental authority or utility company), and other charges required by this Declaration or that the Board shall determine to be necessary or desirable to meet the primary purpose of the Association, including the establishment and maintenance of a reserve fund for repair, maintenance, replacements, taxes, and other charges as specified herein. In addition, water, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Townhome Unit Owners shall be paid for by the Association from the assessments levied hereunder. The Board reserves the right to levy additional assessments against any Townhome Unit Owner to reimburse it for excessive use by such Townhome Unit Owner of any utility service, the expense of which is charged to the maintenance fund. At the time of closing of the initial sale of each Townhome Lot by Declarant, the Townhome Unit Owner shall pay (in addition to the first monthly assessment) to the manager or managing agent, or as otherwise directed by the Board, an amount equal to two (2) times the first full current monthly assessment for such Townhome Unit Owner, which amount shall be used and applied as a working capital fund in the manner herein provided.

6.3 The Board shall be authorized to fix the annual assessment in an amount sufficient to meet the costs and expenses as contained in Section 6.2 hereof.

6.4 If the reserves and the budgeted Estimated Cash Requirement (as hereinafter defined) prove inadequate for any reason, including non-payment of any Townhome Unit Owner's assessment, the Board may at any time levy a supplemental assessment, which shall be assessed equally among all of the Townhome Unit Owners. Prior to the levying of such supplemental assessment, each Townhome Unit Owner shall receive notice, in the same manner as provided for membership meetings, of any meeting of the Board concerning the adoption of such supplemental assessment. Subsequent to the Board's adoption of the supplemental assessment, the Board shall serve notice of such supplemental assessment on all Townhome Unit Owners by a written statement setting forth the amount and reasons therefor. Such supplemental assessment shall become effective with the next succeeding monthly common expense assessment payment which is due more than ten (10) days after the delivery or mailing of such notice of supplemental assessment.

6.5 Both annual and special assessments shall be fixed at a uniform rate for all Townhome Lots, except for certain Townhome Lots as provided in Section 6.9 hereof, and shall be collected on a monthly basis.

6.6 The annual assessments provided for herein shall commence for all Townhome Lots within the Property on the first day of the month following the conveyance of the first Townhome Lot, except as otherwise provided in Section 6.9 hereof. Each year on or before November 1, the Board shall estimate in the form of a detailed budget the total amount necessary to pay the cost of wages, materials, insurance, services, supplies and fees which will be required

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during the ensuing calendar/fiscal year for the acquisition of all such goods and services, together with a reasonable amount determined by the Board for a reserve for contingencies and replacements (the "Estimated Cash Requirement"). The Estimated Cash Requirement shall be assessed equally among all of the Townhome Unit Owners and collected in one lump sum or in installments, as shall be approved and directed by the Board. Each Townhome Unit Owner shall receive, at least thirty (30) days prior to the adoption thereof by the Board, a copy of the proposed annual budget together with an indication of which portions are intended for capital expenditures or repairs or payment of real estate taxes. Each Townhome Unit Owner shall receive notice, in the same manner as is provided herein for membership meetings, of any meeting of the Board concerning the adoption of the proposed annual budget or of any subsequent increase or decrease therein, or establishment of an assessment. In the event any budget that is adopted differs from the proposed budget, then immediately after adoption, the Board shall distribute to each Townhome Unit Owner a detailed annual budget as adopted by the Board, setting forth with particularity the Estimated Cash Requirement by category as well as all anticipated assessments and other income. If an adopted budget requires assessment against the Townhome Unit Owners in any fiscal/calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written petition by Townhome Unit Owners holding twenty percent (20%) of the votes in the Association filed within fourteen (14) days of the Board's adoption, shall call a meeting of the Association within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of votes of the Owners are cast at such meeting to reject the budget, it is ratified, whether or not a quorum is present.

6.7 Any assessments which are not paid when due shall be delinquent. Such assessments, interest and all costs of collection shall be a continuing lien upon the Townhome Lot against which each such assessment was made. If the assessment is not paid within thirty (30) days after the due date, then (i) the amount of the assessment shall bear interest from the date of delinquency at an annual rate per annum equal to the lesser of (a) eighteen percent (18%) and (b) the maximum rate allowed by law, and (ii) in addition to said interest, the Association shall have the right, to be exercised in a non-discriminatory manner, to charge a delinquent Townhome Unit Owner a late fee of Twenty-Five and 0/100 Dollars (\$25.00) for each month or portion thereof that said amount remains delinquent, said late fee to cover the Association's administrative costs in monitoring and collecting such amount. The Association may bring an action at law or in equity against the Townhome Unit Owner personally obligated to pay the same, or foreclose the lien against the respective Townhome Lot and interest, late fees, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Townhome Unit Owner, by his acceptance of a deed to a Townhome Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Townhome Unit Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property.

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6.8 The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed on the Townhome Lots and recorded prior to the due date of the delinquent assessment provided, however, that such prior recorded mortgage shall be subject to the lien of all unpaid assessments with respect to such Townhome Lot which became due and payable subsequent to the first to occur of the date the holder of said mortgage (i) takes possession of the Townhome Lot, (ii) accepts a conveyance of any interest in the Townhome Lot and (iii) has a receiver appointed in a suit to foreclose his lien. The lien of the assessments shall not be affected by the sale or transfer of the corresponding Townhome Lot unless the sale or transfer is pursuant to the foreclosure of the first mortgage thereon. In such a case, the transfer of title pursuant to the foreclosure shall extinguish the lien. However, neither the personal obligation of the transferor, if any, nor the resulting pro rata share of the burden of such non-payment or non-enforcement, imposed through a subsequent assessment, shall be affected.

6.9 With regard to all Townhome Lots which are vacant or upon which Townhome Units are being constructed or have been completed and to which title has not been conveyed by Declarant (the "Declarant Owned Lots"), the total aggregate assessment due with respect to all Declarant Owned Lots shall be limited to the amount by which (a) the aggregate amount of actual operating expenses from time to time required to be paid with respect to the Property exceed (b) the amounts required to be paid by the Townhome Unit Owners other than Declarant for said actual operating expenses. For purposes of the foregoing calculation, in the event Declarant enters into a lease or installment contract for any Townhome Lot, then Declarant shall, as of the first day of occupancy under such lease or contract, be responsible for the payment of all assessments on those Townhome Lots on the same basis as any other Townhome Unit Owner as provided in this Article and consequently, said Lot shall no longer be deemed to be a Declarant Owned Lot hereunder. Actual operating expenses shall mean those ordinary expenses attributable only to the period in question covering the maintenance and operation of the Property and shall not include capital expenditures, amounts set aside as a reserve for contingencies or replacements, prepaid items or inventory items to the extent attributable to subsequent periods. The foregoing amounts owed by Declarant for the Declarant Owned Lots may be paid by Declarant on a monthly basis or, at Declarant's option, paid to the Association at the close of each calendar year without interest. It is expressly understood and agreed that in no event shall Declarant's total obligation under this Section 6.9 with respect to the Declarant Owned Lots ever exceed the amount of assessment due from each of the Townhome Unit Owners other than Declarant multiplied by the number of Declarant Owned Lots from time to time.

6.10 The failure or delay of the Board to prepare or serve the annual or adjusted estimated budget on a Townhome Unit Owner shall not constitute a waiver or release in any manner of such Townhome Unit Owner's obligation to pay his share of the Estimated Cash Requirement, whenever the same shall be determined. In the absence of any annual budget, each Owner shall continue to pay the Estimated Cash Requirement at the rate established for the immediately preceding period until the new annual budget is adopted and the new Estimated Cash Requirement thereunder is

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effective. Upon the adoption of the budget, each Owner will be personally liable for the monthly assessment payments thereunder.

ARTICLE VII

INSURANCE

7.1 The Association shall be responsible for procuring and maintaining comprehensive general liability insurance, including liability for injuries to, and death of, persons and property damage in combined single limit amount not less than One Million Dollars (\$1,000,000.00) per occurrence, including non-owned and hired automobile liability; umbrella liability insurance coverage in an amount not less than Two Million and no/100 Dollars (\$2,000,000.00); and other liability insurance as it may deem desirable, insuring the Association from liability in connection with the use of the Townhome Common Area. In addition, the Association shall be responsible for maintaining such policies of insurance for the Townhome Common Area against loss or damage by fire and such other hazards contained in a customary "Special Form" policy provided that such policies shall (i) provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association and all mortgagees of record of the Townhome Units; (ii) provide that all mortgagees of record of the Townhome Units shall have the right to pay overdue insurance premiums and to obtain new coverage in the event the existing insurance policy lapses; (iii) provide for coverage in the amount of one hundred percent (100%) of current full replacement value; and (iv) contain standard mortgage clause endorsements in favor of the mortgagee(s) of the Townhome Units, as their respective interests may appear. Replacement cost shall be determined annually by an independent appraiser or by a method acceptable to the insurance company providing such coverage. The liability policy shall also name as insureds the Association's agents, officers, employees, each Townhome Unit Owner and the City, its agents, officers and employees.

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

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7.3 The Association shall also obtain and maintain Directors and Officers Liability Insurance and, if any portion of the Property falls within the Flood Zone A category, Flood risk insurance. In addition, the Association may obtain such other kinds of insurance as the Association shall from time to time deem prudent in such amounts as the Association shall deem desirable including, but not limited to, the following: Earthquake risk and Workman's Compensation and Employer Liability.

7.4 Each Townhome Unit Owner shall procure and maintain in full force at all times insurance covering his Townhome Unit consisting of, or providing all the protections afforded by, the insurance now generally described in an "Special Form" policy to one hundred percent (100%) of the (ull insurable value thereof in an amount not less than Three Hundred Seventy-Five Thousand and no/100 Dollars (\$375,000.00), with loss payable on the basis of the cost of replacement without deduction for depreciation, less a deductible amount of no more than one thousand (\$1,000.00) dollars and naming the Association as an additional insured on each policy. Such insurance shall be written by companies reasonably acceptable to the Association. A certificate of insurance evidencing such coverage shall be furnished to the Association and new certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association in each case at least ten (10) days prior to the expiration date of the expiring insurance. In the event a Townhome Unit or any portion thereof shall be damaged or destroyed by fire or other casualty and the Townhome Unit Owner thereof shall cause it to be repaired, restored or reconstructed, as the case may be, the repairs, restoration or reconstruction shall be in the same architectural style and design as was originally constructed and shall conform in all respects to all applicable laws or ordinances in force at the time of such repair, restoration or reconstruction. In the event of the total or substantial destruction of all of the Townhome Units, the architectural design of the Townhome Units to be rebuilt and the materials to be used in constructing the same shall be substantially similar in architectural design as the original Townhome Units and shall be constructed of comparable materials and quality of construction.

7.5 Upon the failure of any Townhome Unit Owner to procure and maintain the insurance required in Section 7.2 hereof or, in the event the Board, in its sole discretion, determines that the Townhome Unit is underinsured, the Board shall have the authority to procure such insurance and/or additional insurance, as the case may be, and the costs thereof shall become a lien upon said Townhome Lot in the same manner as provided in Article VI hereof for nonpayment of maintenance assessments.

7.6 All repair, restoration or rebuilding pursuant to the provisions of this Article VII shall be carried out under such supervision and direction as the Board shall deem appropriate in order to assure the uniform, expeditious and correct completion of the work concerned. The Townhome Unit Owner or Townhome Unit Owners of each Townhome Unit which shall have been damaged or destroyed shall fully cooperate with, and abide by all instructions and directions of, the Association in connection with all repair, restoration and rebuilding undertaken pursuant to this Article VII.

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7.7 In the event of such damage or destruction of a Townhome Unit, the holder of the mortgage encumbering said Townhome Unit shall cause the proceeds of any insurance required pursuant to Section 7.2 hereof to be utilized in restoring the Townhome Unit pursuant to the terms of this Article.

7.8 In any case in which the Townhome Unit Owner or Townhome Unit Owners concerned shall fail to perform or cause to be performed the repair, restoration or rebuilding required by the provisions of this Article VII, the Association shall cause such repairs or rebuilding to be furnished, provided and installed in the manner as set forth in Section 7.3 hereof; provided, however, that to the extent the insurance proceeds referred to in Section 7.2 are insufficient as to any Townhome Unit, the particular Townhome Unit Owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby granted, a continuing lien on the Townhome Lot for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the amount that cost thereof exceeds insurance proceeds, (b) interest at the Prime Rate (as defined below) plus two percent (2%) from the date of the Association's payment of such costs, and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall bind such Townhome Lot. (For purposes of this Declaration, the term the "Prime Rate" shall mean a rate equal to the "prime rate" or similar rate of interest announced from time to time by the Wall Street Journal or its successor-in-interest). In the event such Townhome Unit Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien shall be foreclosed against the Townhome Lot by the Association in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien provided for in this Section 7.6 shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Townhome Lot.

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

ARTICLE VIII

INTERIM PROCEDURE

8.1 Until each of the various Townhome Lots shall have been conveyed by Declarant to the first Townhome Unit Owner thereof (or to such Townhome Unit Owner's nominee), Declarant, with respect to each such unsold Townhome Lot and as specified herein, shall have all the rights granted to and obligations imposed upon the Townhome Unit Owners.

8.2 Until the Transfer Date, Declarant (or its beneficiary or designees) may appoint the Board which shall have the same powers and authority as given to the Board generally.

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8.3 The powers granted to Declarant by Section 8.2 hereof shall include, without limitation, the power to assess upon and collect from the individual Townhome Unit Owners, their respective proportionate shares of the funds required for the carrying out of all the duties and obligations of the Association.

ARTICLE IX

RESTRICTIONS RELATING TO PROPERTY

9.1 Each Townhome Lot conveyed shall be designated by a separate legal description as set forth on Exhibit C attached hereto and made a part hereof and shall constitute a fee simple interest subject to the terms, conditions and provisions hereof.

9.2 No Buildings other than those originally constructed by Declarant shall be constructed on the Townhome Lots.

9.3 All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Townhome Units and streets, and shall be regularly removed from the Property, and shall not be allowed to accumulate thereon.

9.4 Drying of clothes, sheets, towels or other garments shall be confined to the interior of the Townhome Units.

9.5 A Townhome Unit Owner shall do no act nor any work that will impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other properties or their owners.

9.6 There shall be no change in any exterior color of any Townhome Unit from the color scheme in place at the time of the initial conveyance of the Townhome Unit from Declarant without obtaining any required prior written approval of the Association.

9.7 Except for those fences, patios, decks and other similar improvements and architectural elements constructed by Declarant on each Townhome Lot, there shall be no fences, patios, decks or similar improvements commenced, erected, or maintained upon any Townhome Lot, without the Townhome Unit Owner thereof first obtaining the prior written approval of the Association and thereafter (but only thereafter) seeking and obtaining the issuance of any appropriate permit from the Village. No such improvements shall encroach upon any portion of the Townhome Common Area except for those improvements constructed by Declarant thereon and those encroachments expressly permitted by this Declaration (including, without limitation, those encroachments permitted by Section 9.9 below).

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9.8 Each Townhome Lot is hereby declared to be subject to an easement and right to and in favor of the Association and each and all of its employees, agents and instrumentalities to go upon such Townhome Lot for reasonable inspection thereof from time to time and for the purpose of carrying out any and all of the obligations and functions with respect to such Townhome Lot and the Townhome Unit located thereon as are herein imposed upon or permitted to the Association. Each Townhome Lot is further declared to be subject to an easement in favor of any adjoining Townhome Lot to the extent necessary to permit the maintenance, supply, repair, and servicing of utility services to the various Townhome Lots and Townhome Units located thereon (including, but not limited to, those referenced in Section 5.1).

9.9 Inasmuch as the gas and electricity service for the Building starts at one end and may run through some or all of the Townhome Units, each Townhome Unit is hereby expressly subject to an easement in favor of all other Townhome Units in the Building in which said servient Townhome Unit is located for the location, operation, maintenance, supply, repair, replacement, and servicing of electricity and gas service to all of the other Townhome Units in that Building. The Townhome Unit Owner of each Townhome Lot shall from time to time grant such additional easements and rights over, across, on, under and upon his Townhome Lot as may be reasonably necessary in connection with the supply of any of the utilities described herein to any part of the Property.

9.10 Each Townhome Lot shall be used only for residential purposes, as a private residence, and no professional business or commercial use shall be made of the same, or any portion thereof except it shall not apply to the activities and uses of the Declarant; provided that occupations carried on in the Townhome Lot are permitted only if such use is incidental to the Townhome Lot's primary residential use; provided further that the Townhome Unit Owners, who pursue such incidental occupational use of their Townhome Lot shall have no employees, customers or clients at the Townhome Lot and shall obtain prior approval from all authorities having jurisdiction over the use of the Lot.

9.11 In compliance with Section 207 of the Telecommunications Act of 1996, and the rules and regulations promulgated thereby, devices designed for over-the-air reception of television broadcast signals, multichannel multipoint distribution services or direct broadcast satellite services (collectively "Dishes") which promote a viewer's ability to receive video programming services, shall be permitted and may be affixed to or placed upon the exterior walls or roof of any dwelling, garage or other improvement on a Lot; provided, however, Dishes shall be placed, to the extent feasible, in locations that are not visible from any street, provided, that this placement permits reception of any acceptable quality signal. Any and all Dishes permitted pursuant to this Section shall be installed in full compliance with all health, safety, fire and electrical codes, rules, regulations, ordinances, statutes and laws of the Federal Government, State of Illinois, Cook County and local municipalities and the Association (collectively "Health and Safety Laws"). All Dishes installed shall be properly grounded and installed in full compliance with all installation requirements of the manufacturer and all Health and Safety Laws. No Dishes shall be installed within the close proximity of any power lines. All Dishes

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installed, to the extent feasible, shall be painted or of such color so that the Dish blends into the background against which it is mounted, provided, however, said painting requirement does not prohibit or unreasonably interfere with the reception or signal received by the viewer. Notwithstanding anything contained herein to the contrary, the installation of any Dish shall be at the Townhome Unit Owner's sole risk and sole cost and expense and, in the event the installation of any Dish causes any damage or destruction to any dwelling or other improvement installed by Declarant or any Townhome Lot or voids or impairs any warranty which runs for the benefit of the Declarant, other Townhome Lot Owners or the Association, the Townhome Owner installing and owning a Dish shall be liable and responsible for and shall pay for any and all costs, expenses, fees and damages and repair any and all damage or destruction created thereby, including reasonable attorneys' fees and court costs. No Dish shall be affixed to, installed or placed upon the Townhome Common Area except upon the prior written consent of the Declarant, not to be unreasonably withheld, and shall only be installed, affixed or placed upon the Townhome Common Area in conjunction with the Association's duly adopted rules and regulations. Notwithstanding anything contained herein to the contrary, any Townhome Unit Owner installing and affixing any Dish to a Townhome Lot, improvement, dwelling or the Townhome Common Area hereby agrees to and shall indemnify, defend and hold Declarant and the Association harmless from and against any and all costs, expenses, suits, damages, destruction to any real property or any person, including attorneys' fees and court costs, caused by, either directly or indirectly, the installation, affixing and maintaining, whether by said Townhome Unit Owner or a third party contractor, of a Dish pursuant to this Declaration. This Section shall be binding upon and inure to the benefit of each Owner and his/her heirs, successors and assigns and shall be effective upon recordation in the Office of the Cook County Recorder of Deeds.

9.12 No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property, except dogs, cats or other common household pets (not including pigs and chickens and not exceeding a total of (2) larger pets such as cats and dogs, and a reasonable number of smaller pets, such as tropical fish) may be kept on any Lot, provided that they are not kept, bred, or maintained for any commercial purposes and are in compliance with all applicable rules and regulations promulgated by the Association and the Village.

9.13 The Board may adopt such other rules and regulations from time to time governing the use and enjoyment of the Townhome Common Area and the use of the Townhome Lots as the Board, in its sole discretion, deems appropriate or necessary.

9.14 Each Townhome Lot (including the Townhome Common Area located thereon) is hereby subjected to a permanent easement appurtenant to any adjoining Townhome Lot to permit the construction, existence, maintenance, repair and restoration of structures located on such servient adjoining Townhome Lot, including roof structures which overhang and encroach upon the servient Townhome Lot and entry stairs or stoop, mechanical equipment, patio, deck and other similar improvements or architectural elements serving or part of one Townhome Unit and located in the Townhome Common Area adjoining said Townhome Unit; provided that the

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construction of such structure is expressly permitted or approved as elsewhere herein provided. The owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to maintain, repair and restore any improvements located on the servient tenement provided, however, that such entry shall be allowed only during daylight hours and with the prior knowledge of the owner of the servient tenement. In case of emergency, such right of entry shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the owner of the servient tenement. The owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the owner of the dominant tenement granted by this Section 9.11. Any such improvement, material or obstacle shall be promptly removed by the owner of the servient tenement at that owner's expense when requested by the owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area.

9.15 No building, wall or other structure or landscaping shall be commenced, erected or maintained upon the Property except such as are installed or approved by Declarant in connection with the initial construction of the Townhome Units upon the Property, nor shall any exterior addition to or change or alteration or, in the event of a casualty loss, any restoration made to the exterior portion of any Townhome Unit, therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same, and the grading plan and landscape plan shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board or by an architectural committee of three (3) or more persons appointed by the Board. In the event the Board, or its architectural committee, fails to approve or disapprove such design and location within forty (40) days after said plans and specifications have been submitted to it, and in the event no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, express approval will not be required and the terms and conditions contained in this Section 9.15 shall be deemed to have been fully complied with. The Board or its architectural committee shall, in addition, have the right to approve (such approval not to be unreasonably withheld) the general contractor responsible for performing the work in connection with the restoration of the exterior portion of any Townhome Unit in the same manner as approval of plans and specifications is obtained. Any work performed in accordance with this Section 9.15 shall not be undertaken without the issuance of any appropriate permit by the Village.

9.16 Until such time as title to any Townhome Lot is conveyed to a bona fide purchaser, Declarant reserves the right to lease such Townhome Lots upon such terms and conditions as Declarant may, in its sole discretion, approve.

9.17 Except for Declarant and its activities within the Property, no signage of any type or description (including "For Rent" and "For Sale" signs), billboards, unsightly objects, or nuisances shall be erected, placed or permitted on any portion of the Property.

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9.18 Except as set forth in the Section 9.16, no Owner shall lease or rent his or her Townhome Unit for a term less than thirty (30) days. Every lease of a Townhome Unit shall be in writing and shall be made expressly subject to the requirements, rights, covenants, conditions, restrictions and easements of this Declaration and of the By-Laws. The Owner of a Townhome Unit shall deliver a copy of the signed lease to the Board not later than the date of occupancy or ten (10) days after the lease is signed, which occurs first. In addition to any other remedies, by filing an action jointly against the tenant and the Owner, the Association may seek to enjoin the tenant and the Owner, the Association may seek to enjoin a tenant from occupying a Townhome Unit or seek to evict a tenant under the applicable provision of the Illinois Code of Civil Procedure (735 ILCS 5/et.seq) for failure of the lessor/Owner to comply with the leasing requirements prescribed by this Section or the Declaration, By-Laws and rules and regulations of the Association.

9.19 There shall be no installation of decorative lights to any Townhome Unit's roof top deck. Further the enclosures of the roof top pergolas or the addition of any structure or modification to the roof top decks will be strictly prohibited.

ARTICLE X

PARTY WALLS

10.1 All dividing walls which straddle the boundary line between Townhome Lots and which stand partly upon one Townhome Lot and partly upon another, and all walls which serve two or more Townhome Units (including, without limitation, the vertical fence/wall/railing of any decks which serve two or more Townhome Units), shall at all times be considered party walls, and each of the Townhome Unit Owners of Townhome Lots upon which any such party wall shall stand shall have the right to use said party wall below and above the surface of the ground and along the whole length or any part of the length thereof for the support of said Townhome Units, for the support of any building constructed to replace the same and/or for the purposes of dividing, or creating a boundary between, adjoining Townhome Units, and shall have the right to maintain in or on said wall any pipes, ducts or conduits originally located therein or thereon, subject to the restrictions hereinafter contained.

10.2 No Townhome Unit Owner of any Townhome Lot nor any successor in interest to any such Townhome Unit Owner shall have the right to extend said party wall in any manner, either in length, height or thickness, to alter structurally said party wall (except as described in Section 10.1 above), or to the extent said party wall is visible from outside of the Townhome Unit, to alter it aesthetically.

10.3 In the event of damage to or destruction by fire or other casualty of any party wall, including the foundation thereof, the Townhome Unit Owner of any Townhome Lot upon

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which such party wall may rest shall have the obligation to repair or rebuild such wall and the Townhome Unit Owner of each Townhome Lot upon which such wall shall rest, be served or benefited by shall pay his aliquot portion of the cost of such repair or rebuilding. All such repair or rebuilding shall be done within a reasonable time, in a good and workmanlike manner with materials comparable to those used in the original wall and shall conform in all respects to the laws or ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall.

10.4 The foregoing provisions of this Article X notwithstanding, the Townhome Unit Owner of any Townhome Lot, or other interested party, shall retain the right to receive a larger contribution from another or others under any rule or law regarding liability for negligent or willful acts or omissions. The right of any Townhome Unit Owner, or other interested party, to contribution from any other Townhome Unit Owner under this Article X shall be appurtenant to the land and shall pass to such Townhome Unit Owner's or other applicable person's successors in title.

10.5 The title of each Townhome Unit Owner to the portion of each party wall within such Townhome Unit is subject to a cross easement in favor of the adjoining Townhome Unit Owner for joint use of said wall.

ARTICLE XI

MISCELLANEOUS

11.1 The Association or any Townhome Unit Owner, their successors or assigns, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Any Townhome Unit Owner found to be in violation by a court of competent jurisdiction of any of the foregoing shall also be liable for reasonable attorney's fees incurred by the Association in prosecuting such action. The amount of such attorney's fees together with court costs, if unpaid, shall constitute an additional lien against the defaulting Townhome Unit Owner's Townhome Lot, enforceable as other liens herein established. Failure by the Association or any Townhome Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

11.2 Invalidation of any of these covenants or restrictions by judgment or order shall in no way affect any other provisions which shall remain in full force and effect.

11.3 The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Townhome Unit Owner of any Townhome Lot subject to this Declaration and their respective legal

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representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinafter set forth. The covenants and restrictions of this Declaration may be amended during the first fifty (50) year period or within any successive ten (10) year period by an instrument signed by those Members (Class A and Class B) entitled to cast seventy-five percent (75%) of the total votes as provided in Article III, Section 3.1 hereof and then properly recorded, provided, however, that, except as set forth in Section 11.15(iv) below, no Material Amendment to this Declaration, the By-Laws or the Association's articles of incorporation shall be effective unless approval thereof is obtained from Eligible Mortgage Holders representing at least fifty-one percent (51%) of the Townhome Lots and Townhome Units that are subject to mortgages held by Eligible Mortgage Holders. These covenants and restrictions may also be cancelled or amended by an instrument signed by sixty percent (60%) of Townhome Unit Owners executed and recorded within ninety (90) days of the expiration of any successive ten (10) year period, such cancellation or amendment to be effective on the date of commencement of the ten (10) year period in question, provided, however, that no termination or alteration of the legal status of the Association or the Property for reasons other than substantial destruction or condemnation of the Property shall be effective unless approval thereof is obtained from Eligible Mortgage Holders representing at least sixty-seven percent (67%) of the Townhome Lots that are subject to mortgages held by Eligible Mortgage Holders. Any instrument executed pursuant to the provisions contained in this Section 11.3 shall be filed for record in the Recorder's Office and a true, complete copy of such instrument promptly shall be transmitted to each Townhome Unit Owner. No amendment to this Declaration may be made that is in conflict with the requirements of the Subdivision Regulations of the Village, as the same may be amended from time to time.

11.4 If and to the extent that any of the covenants would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting restraints on alienation, or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provision in question shall continue and endure only after the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants of J.B. Pritzker, Governor of the State of Illinois, living at the date of this Declaration.

11.5 Any notices required under the provisions of this Declaration to be sent to any member, Townhome Unit Owner, or to any holder, insurer or guarantor of a first mortgage secured by any portion of the Property shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Member, Townhome Unit Owner or holder, insurer or guarantor as it appears on the records of the Association at the time of such mailing.

11.6 If at any time or times the Board shall deem it necessary or advisable to rerecord this Declaration or any part hereof in the Office of the Recorder of Deeds of Cook County, Illinois, in order to avoid the expiration hereof or of any of the covenants, conditions, restrictions, rights, reservations, easements, agreements or other provisions herein contained

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under any statute or act relating to or governing marketable title, the Board shall submit the matter to a meeting of the Members called upon not less than ten (10) days prior notice, and unless at such meeting at least two-thirds (2/3) of said Members shall vote against such rerecording, the Association shall have, and is hereby granted, the power to so rerecord this Declaration or such part thereof, and such rerecording shall be binding upon all Townhome Unit Owners in every way and with the full force and effect as though such action were taken by each of said Owners and the rerecorded document executed and acknowledged by each of them.

11.7 All the easements, rights, covenants, agreements, reservations, restrictions and conditions herein contained shall run with the land and shall inure to the benefit of and be binding upon Declarant and each subsequent holder of any interest in any portion of the Property and their grantees, heirs, successors, personal representatives and assigns with the same full force and effect for all purposes as though set forth at length in each and every conveyance of the Property or any part thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and covenants herein described shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees or trustees of such parcels as fully and completely as though said easements and covenants were fully recited and set forth in their entirety in such documents.

11.7 In amplification of and in addition to the provisions contained in Article VI, in the event of any default of any Townhome Unit Owner, the Association and all other Townhome Unit Owners may and shall have all rights and remedies as shall otherwise be provided or permitted by law or in equity.

11.8 In the event that any part of any Townhome Unit, including any roof overhangs or soffits, downspouts, scuppers and gutters, selected stone and brick masonry coursing and tile parapet copings, wood bays, window wells, roof canopies and brackets, ornamental metal railings, plumbing appurtenances (hose bibs, etc.), electrical appurtenances (electrical meters, etc.), mechanical appurtenances and equipment (gas meters, condensers, etc.), service walk, driveway, entry walkway, entry stairs or stoops, patio, deck or other similar improvement or architectural element appurtenant thereto, encroaches or shall hereafter encroach upon any part of any other Townhome Lot (including the Townhome Common Area located thereon), valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of the same shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Townhome Unit Owner if such encroachment or use is detrimental to, or interferes with, the reasonable use and enjoyment of the Townhome Unit of another Townhome Unit Owner or if such encroachment occurred due to the intentional or willful conduct or gross negligence of any Townhome Unit Owner. It is expressly understood that any such encroachment resulting from any act or omission of Declarant shall in no event be deemed to be detrimental or to interfere, or to constitute intentional or willful conduct or gross negligence.

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11.9 Any aggrieved Townhome Unit Owner may enforce the provisions of this Declaration, the By-Laws, or any rules and regulations promulgated by the Board, by an action at law or in equity against the defaulting Townhome Unit Owner (or occupant of his Townhome Unit).

11.10 The following provisions are intended for the benefit of each Eligible Mortgage Holder and to the extent if at all, that any other provisions of this Declaration conflict with the following provisions, the provisions of this Section 11.10 shall control:

(a) Upon request in writing to the Association identifying the name and address of the Eligible Mortgage Holder or the insurer or guarantor of a recorded first mortgage or trust deed on a Townhome Lot or Townhome Unit ("Insurer or Guarantor") and the unit number, the Association shall furnish each Eligible Mortgage Holder, Insurer or Guarantor a written notice of the default of any Townhome Unit Owner's obligations under this Declaration which is not cured within thirty (30) days. Any Eligible Mortgage Holder of a Townhome Lot or Townhome Unit who comes into possession of the said Townhome Lot or Townhome Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure shall, to the extent permitted by law, take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged Townhome Lot or Townhome Unit which become due prior to (i) the date of the transfer of title or (ii) the date on which the holder comes into possession of the Townhome Lot or Townhome Unit, whichever occurs first.

(b) Upon request in writing, each Eligible Mortgage Holder, Insurer or Guarantor shall have the right:

(i) to examine current copies of this Declaration, the By-Laws, rules and regulations and the books and records of the Association during normal business hours;

(ii) to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

(iii) to receive written notice of any decision by the Association or Townhome Unit Owners to make a Material Amendment to this Declaration, the By-Laws or the articles of incorporation of the Association;

(iv) to receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

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(v) to receive written notice of any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders; and

(vi) to receive written notice of any condemnation or casualty loss that affects either a material portion of the Property or the Townhome Lot or Townhome Unit on which it holds, insures or guarantees the mortgage.

(c) No provision of this Declaration, the By-Laws or the articles of incorporation of the Association or any similar instrument pertaining to the Property or the Townhome Lots or Townhome Units therein shall be deemed to give a Townhome Unit Owner or any other party priority over the rights of the Eligible Mortgage Holders pursuant to their mortgages in the case of distribution to Townhome Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Townhome Lots or Townhome Units, and/or the Townhome Common Area, or any portion thereof or interest therein. In such event, the Eligible Mortgage Holders, Insurers or Guarantors of the Townhome Lots or Townhome Units affected shall be entitled, upon specific written request, to timely written notice of any such loss.

(d) Upon specific written request to the Association, each Eligible Mortgage Holder, Insurer or Guarantor of a Townhome Lot or Townhome Unit shall be furnished notice in writing by the Association (i) of any damage to or destruction or taking of the Townhome Common Area if such damage or destruction or taking exceeds Ten Thousand and 0/100 Dollars (\$10,000.00), or (ii) of any damage to a Townhome Lot or Townhome Unit if such damage exceeds One Thousand and 0/100 Dollars (\$1,000.00).

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

11.11 If all or any part of the Townhome Common Area only shall be taken through condemnation by any governmental authority having power so to do, the net proceeds of such taking shall be paid to and retained by the then owner of such portion of the Townhome Common Area subject, however, to the rights of the holders of first mortgage liens on the Townhome Units. If any part of the Property including one or more Townhome Units shall be taken by one or more concurrent condemnation proceedings, the entire net proceeds of such taking or takings, including (without limitation) all proceeds received on account of such taking

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of any part of the Townhome Common Area, shall be divided equitably among, and retained by, the Townhome Unit Owners of the Townhome Units wholly or partially taken in such condemnation proceedings, subject to the rights of the holders of first mortgage liens on the Townhome Units. If the effect of such condemnation shall be to isolate any part of the Property from the remainder of the Property, and if no residential structures shall then have been constructed or be situated within the portion of the Property so isolated, then all the Townhome Units lying wholly or partly within the portion of the Property so isolated shall be deemed to have been and shall be removed from and released from all of the terms and provisions of this Declaration and this Declaration shall be of no further force or effect with respect thereto. For purposes of this Section 11.11, the term "condemnation" shall include also any sale under threat of condemnation to any governmental authority having condemnation power.

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

11.13 Declarant reserves the right and power, to be exercised without the consent of any Townhome Unit Owner or his Eligible Mortgage Holder, to record a special amendment ("Special Amendment") to this Declaration at any time prior to the Transfer Date which causes this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public, or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Townhome Unit, (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto, or (iv) notwithstanding that such change or modification could otherwise be considered a Material Amendment, to change or modify any of the terms or conditions of this Declaration based upon Declarant's determination, made in good faith, that such change or modification is in the best interests of the Property and is consistent with the intent and purposes of this Declaration. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each Townhome Unit Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Townhome Lot, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant to vote in favor of, make, execute and record Special Amendments. The right of Declarant to act pursuant to rights reserved or granted under this Section 11.13 shall terminate at such time as Declarant no longer holds or controls title to any Townhome Lot.

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

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ARTICLE XII

Special Declarant Rights

12.1 Until the Turnover Date, the Declarant shall have all the rights and powers herein granted to the Association and shall be authorized and empowered to take all such actions as the Board would have been authorized and empowered to take as herein provided. Prior to the Turnover Date, Declarant shall have the right to appoint all the members of the Board.

12.2 Until the Turnover Date, Declarant may, in its sole and absolute discretion, elect to maintain the Common Area and all signs and monuments located thereon and may pay all expenses and costs in connection with the Common Area, including without limitation, the costs of improving and maintaining the Common Area (and any signs and monuments located thereon) and general real estate taxes payable in connection with the Common Area and such payments shall be credited against any amounts due the Association from Declarant, including in Subsidy Payments. Declarant shall, not later than the Turnover Date, convey to the Association that portion of the Common Area to be owned by the Association.

12.3 Declarant shall be entitled at all times to conduct sales of Townhome Lots from the Property and shall have the right, for itself and its agents, employees, guests, invitees, to utilize roads, streets, Common Area and all other portions of the Property, excluding Townhome Lots conveyed to a purchaser thereof, for such purposes, at no cost and expense, until all Lots are sold. Declarant may at all times utilize, without cost, signage, lighting and establish temporary construction and sales offices, buildings and trailers and construct model homes to conduct its construction, sales and marketing of the Property.

(SIGNATURE APPEARS ON NEXT PAGE)

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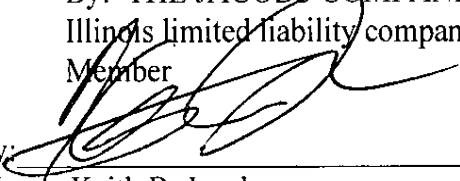
IN WITNESS WHEREOF, Declarant has caused this Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for The Gateway Townhome Association to be executed as of the date first above written.

DECLARANT:

GATEWAY NORTHBROOK OWNER, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: JACOBS GATEWAY Venture, LLC,
an Illinois limited liability company,
its Manager

By: THE JACOBS COMPANIES LLC, an
Illinois limited liability company, its
Member

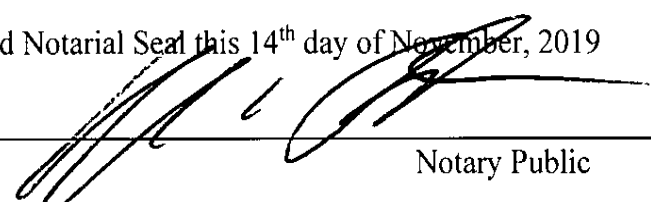
By: 
Name: Keith B. Jacobs
Its: Authorized Representative

Dated: November 14, 2019

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

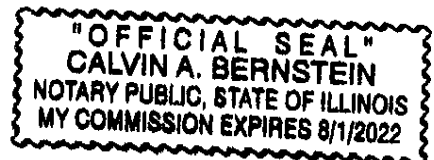
I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Keith Jacobs, the authorized representative of The Jacobs Companies, LLC, the member of Jacobs Gateway Venture, LLC, an Illinois limited liability company, the Manager of Gateway Northbrook Owner, LLC , a Delaware Limited Liability Company, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered the said instrument as limited liability company's own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14th day of November, 2019



Notary Public

My Commission Expires: _____



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EXHIBIT A

THE PROPERTY

LOTS 1 THROUGH 69, BOTH INCLUSIVE, IN THE FINAL PLAT OF GATEWAY, BEING A SUBDIVISION OF THAT PART OF THE WEST HALF OF SECTION 10, TOWNSHIP 43 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS:

04-10-301-071-0000
04-10-301-046-0000
04-10-301-012-0000
04-10-301-041-0000
04-10-301-048-0000
04-10-301-013-0000
04-10-301-015-0000
04-10-301-014-0000
04-10-301-016-0000
04-10-301-011-0000
04-10-301-047-0000

Property of Cook County Clerk's Office

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GATEWAY ADDRESS LIST

| Lot # | Street Address | City, State, Zip |
|-------|------------------|----------------------|
| 1 | 1269 Shermer Rd. | Northbrook, IL 60062 |
| 2 | 1263 Shermer Rd. | Northbrook, IL 60062 |
| 3 | 1261 Shermer Rd. | Northbrook, IL 60062 |
| 4 | 1259 Shermer Rd. | Northbrook, IL 60062 |
| 5 | 1255 Shermer Rd. | Northbrook, IL 60062 |
| 6 | 1251 Shermer Rd. | Northbrook, IL 60062 |
| 7 | 1249 Shermer Rd. | Northbrook, IL 60062 |
| 8 | 1245 Shermer Rd. | Northbrook, IL 60062 |
| 9 | 1239 Shermer Rd. | Northbrook, IL 60062 |
| 10 | 1235 Shermer Rd. | Northbrook, IL 60062 |
| 11 | 1229 Shermer Rd. | Northbrook, IL 60062 |
| 12 | 1225 Shermer Rd. | Northbrook, IL 60062 |
| 13 | 1221 Shermer Rd. | Northbrook, IL 60062 |
| 14 | 1219 Shermer Rd. | Northbrook, IL 60062 |
| 15 | 1215 Shermer Rd. | Northbrook, IL 60062 |
| 16 | 1209 Shermer Rd. | Northbrook, IL 60062 |
| 17 | 1205 Shermer Rd. | Northbrook, IL 60062 |
| 18 | 1201 Shermer Rd. | Northbrook, IL 60062 |
| 19 | 1195 Shermer Rd. | Northbrook, IL 60062 |
| 20 | 1193 Shermer Rd. | Northbrook, IL 60062 |
| 21 | 1191 Shermer Rd. | Northbrook, IL 60062 |
| 22 | 1189 Shermer Rd. | Northbrook, IL 60062 |
| 23 | 1181 Shermer Rd. | Northbrook, IL 60062 |
| 24 | 1179 Shermer Rd. | Northbrook, IL 60062 |
| 25 | 1175 Shermer Rd. | Northbrook, IL 60062 |
| 26 | 1171 Shermer Rd. | Northbrook, IL 60062 |
| 27 | 1171 Gateway Ct. | Northbrook, IL 60062 |
| 28 | 1175 Gateway Ct. | Northbrook, IL 60062 |
| 29 | 1179 Gateway Ct. | Northbrook, IL 60062 |
| 30 | 1183 Gateway Ct. | Northbrook, IL 60062 |
| 31 | 1201 Gateway Ct. | Northbrook, IL 60062 |
| 32 | 1199 Gateway Ct. | Northbrook, IL 60062 |
| 33 | 1197 Gateway Ct. | Northbrook, IL 60062 |
| 34 | 1195 Gateway Ct. | Northbrook, IL 60062 |
| 35 | 1193 Gateway Ct. | Northbrook, IL 60062 |
| 36 | 1191 Gateway Ct. | Northbrook, IL 60062 |
| 37 | 1205 Gateway Ct. | Northbrook, IL 60062 |
| 38 | 1209 Gateway Ct. | Northbrook, IL 60062 |
| 39 | 1211 Gateway Ct. | Northbrook, IL 60062 |
| 40 | 1213 Gateway Ct. | Northbrook, IL 60062 |
| 41 | 1215 Gateway Ct. | Northbrook, IL 60062 |
| 42 | 1217 Gateway Ct. | Northbrook, IL 60062 |
| 43 | 1221 Gateway Ct. | Northbrook, IL 60062 |

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| | | |
|----|------------------|----------------------|
| 44 | 1225 Gateway Ct. | Northbrook, IL 60062 |
| 45 | 1229 Gateway Ct. | Northbrook, IL 60062 |
| 46 | 1231 Gateway Ct. | Northbrook, IL 60062 |
| 47 | 1233 Gateway Ct. | Northbrook, IL 60062 |
| 48 | 1239 Gateway Ct. | Northbrook, IL 60062 |
| 49 | 1241 Gateway Ct. | Northbrook, IL 60062 |
| 50 | 1243 Gateway Ct. | Northbrook, IL 60062 |
| 51 | 1245 Gateway Ct. | Northbrook, IL 60062 |
| 52 | 1249 Gateway Ct. | Northbrook, IL 60062 |
| 53 | 1269 Gateway Ct. | Northbrook, IL 60062 |
| 54 | 1265 Gateway Ct. | Northbrook, IL 60062 |
| 55 | 1261 Gateway Ct. | Northbrook, IL 60062 |
| 56 | 1257 Gateway Ct. | Northbrook, IL 60062 |
| 57 | 1255 Gateway Ct. | Northbrook, IL 60062 |
| 58 | 1251 Gateway Ct. | Northbrook, IL 60062 |
| 59 | 1289 Gateway Ct. | Northbrook, IL 60062 |
| 60 | 1283 Gateway Ct. | Northbrook, IL 60062 |
| 61 | 1281 Gateway Ct. | Northbrook, IL 60062 |
| 62 | 1279 Gateway Ct. | Northbrook, IL 60062 |
| 63 | 1275 Gateway Ct. | Northbrook, IL 60062 |
| 64 | 1285 Shermer Rd. | Northbrook, IL 60062 |
| 65 | 1281 Shermer Rd. | Northbrook, IL 60062 |
| 66 | 1279 Shermer Rd. | Northbrook, IL 60062 |
| 67 | 1275 Shermer Rd. | Northbrook, IL 60062 |
| 68 | 1271 Shermer Rd. | Northbrook, IL 60062 |

Cook County Clerk's Office

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EXHIBIT B

BY-LAWS OF

THE GATEWAY TOWNHOME ASSOCIATION

ARTICLE I

PURPOSES AND POWERS

The Association shall be responsible for the general management and supervision of the Property, and shall have all of the powers to perform, and shall be responsible to perform, all of the obligations provided in the Declaration. Further, the Association shall have all powers now or hereafter granted by the General Not For Profit Corporation Act of the State of Illinois which shall be consistent with the purposes specified herein and in the Declaration.

ARTICLE II

OFFICES

2.1 **Registered Office.** The Association shall have and continuously maintain in this State a Registered Office and a Registered Agent whose office shall be identical with such Registered Office. The Association may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

2.2 **Principal Office.** The principal office of the Association shall be maintained in Northbrook, Illinois.

ARTICLE III

MEMBERSHIP

3.1 **Voting Members.** Every person or entity who is a record owner of a fee or undivided fee interest in any Townhome Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Townhome Lot which is subject to an assessment by the Association.

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Townhome Unit ownership of such Townhome Lot shall be the sole qualification of membership. Nothing herein contained shall be interpreted to exclude Declarant from membership while it or its successors in interest, if any, owns one or more Townhome Lots. Voting rights with regard to each Member are set forth in Section 3.2 hereof.

3.2 **Classes of Membership.** The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Townhome Unit Owners as defined in Section 3.1, provided that Declarant shall not be a Class A Member until the Transfer Date. Class A Members shall be entitled to one vote for each Townhome Lot in which they hold the interest required for membership by Section 3.1. When more than one person holds such interest in any Townhome Lot, all such persons shall be Members. The vote for such Townhome Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Townhome Lot. All Members holding any interest in a single Townhome Lot shall together be entitled to cast only one vote for the Townhome Lot.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to three (3) votes for each Townhome Lot in which it holds the interest required for membership by Section 3.1; provided that the Class B membership shall cease and be converted to Class A membership on the Transfer Date.

3.3 **Meetings.**

(a) **Quorum: Procedure.** Meetings of the Members shall be held at the principal office of the Association or at such other place in Cook County, Illinois as may be designated in any notice of a meeting. The presence at any meeting, in person or by proxy, of twenty percent (20%) of the total votes determined pursuant to Section 3.2 above shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration, any action may be taken at any meeting of the Members at which a quorum is present upon the affirmative vote of the Members having a majority of the total votes present at such meeting. Any Member in writing may waive notice of a meeting, or consent to any action of the Association without a meeting.

(b) **Initial and Annual Meeting.** The initial meeting of the Members shall be held at such time as may be designated upon not less than thirty (30) days' prior written notice given by Declarant, provided that such initial meeting shall be held no later than sixty (60) days after the Transfer Date. Thereafter, there shall be an annual meeting of the Members on the first Tuesday of May of each succeeding year, at 7:30 P.M. If the date for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour on the first day succeeding such date which is not a legal holiday.

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(c) **Special Meetings.** Special meetings of the Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Members, or for any other reasonable purposes. Said meetings shall be called by written notice, authorized by the President of the Association, twenty five percent (25%) of the Board or by the Members having twenty percent (20%) of the total votes entitled to be cast by the Members as provided in Section 3.2 above, and delivered not less than ten (10) days nor more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

3.4 **Notices of Meetings.** Notices of meetings required to be given herein may be delivered either personally, by mail or electronically to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Townhome Unit of the Townhome Unit Owner with respect to which such voting right appertains, if no address has been given to the Board. The notices required herein shall state the specific purpose and the nature of the business for which the meeting is called. At any meeting, no business may be transacted other than that specified in the notice.

3.5 **Proxies.** At any meeting of Members, a Member entitled to vote may either vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

ARTICLE IV

BOARD OF DIRECTORS

4.1 **Board of Directors.** The direction and administration of the Property in accordance with the provisions of the Declaration shall be vested in the Board of Directors, consisting of five (5) persons who shall be elected in the manner hereinafter provided, except for the first Board of Directors appointed by Declarant (or its designee). The Members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease the term of the office of the Board members at any annual meeting, provided the terms of at least one of the persons on the Board shall expire annually. Each member of the Board, with the exception of the Board members initially appointed by Declarant (or its designee) shall be one of the Townhome Unit Owners (including Declarant); provided, however, that in the event an Townhome Unit Owner is a corporation, partnership, trust, limited liability company, or other legal entity other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, manager or member of such limited liability company, or manager or principal of such legal entity, shall be eligible to serve as a member of the Board and provided further that in the event a member of the Board has entered into a contract to sell his Townhome Unit and vacates the Townhome Unit

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prior to the consummation of that transaction, such member shall thereafter no longer be eligible to serve on the Board and his term of office shall be deemed terminated.

4.2 **Determination of Board to be Binding.** All matters of dispute or disagreement between Townhome Unit Owners with respect to interpretation or application of the provisions of the Declaration or these By-Laws shall be determined by the Board as hereinafter provided, which determination shall be final and binding on the Association and on all Townhome Unit Owners subject, however, to the jurisdiction of any applicable court of law.

4.3 **Election of Board Members.** At the initial meeting of the Members and at all subsequent annual meetings of the Members there shall be elected a Board of Directors. In all elections for members of the Board of Directors, each Member shall be entitled to vote on a non-cumulative basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. The initial Board of Directors designated by Declarant pursuant to Section 4.1 hereof shall serve for a period commencing on the date the Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of Members held as provided in Section 3.3(b) hereof. Members of the Board elected at the initial meeting shall serve until the first annual meeting. Five (5) Board Members shall be elected at the initial meeting. The three (3) persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two (2) years and the persons receiving the next highest number of votes shall be elected to the Board for a term of one (1) year. In the event of a tie vote, the members of the Board shall determine which members shall have the two (2) year term and which member shall have the one (1) year terms. Upon the expiration of the terms of office of the Board members so elected at the initial meeting and thereafter, successors shall be elected for a term of two (2) years each. Notwithstanding the aforesaid election procedure Declarant or its designee or beneficiaries may appoint a Board which shall have the same powers and authority as given to the Board generally, as provided hereinafter, and such appointed Board shall function until such time as the initial meeting of the Members is held.

4.4 **Compensation.** Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the Members having two-thirds (2/3) of the total votes. However, any director may be reimbursed for reasonable expenses incurred in the performance of his duties.

4.5 **Vacancies in Board.** Vacancies in the Board, other than as a result of removal pursuant to Paragraph 4.7 hereof, including vacancies due to any increase in the number of persons on the Board, shall be filled by the remaining members of the Board or by the Members present at the next annual meeting or at a special meeting of the Members called for such purpose.

4.6 **Election of Officers.** The Board shall elect from among its members a President who shall preside over both its meetings and those of the Members, and who shall be the chief

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executive officer of the Board and Association; a Secretary who will keep the minutes of all meetings of the Members and of the Board and who shall, in general, perform all the duties incident to the office of Secretary; and a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. All officers shall be elected at each annual meeting of the Board and shall hold office at the pleasure of the Board.

4.7 **Removal of Board Members.** Any Board member may be removed from office by affirmative vote of the Members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose in the manner aforesaid. A successor to fill the unexpired term of a Board member removed may be elected by two-thirds of the remaining Members of the Board or at the request of Members holding at least twenty percent (20%) of the votes of the Association requesting a meeting of the Members of the Association to fill the vacancy for the balance of the term.

4.8 **Meeting of Board.** The initial meeting of the Board shall be held immediately following the initial meeting of the Members and at the same place. At such meeting the Board shall elect its officers to serve until the first annual meeting of the Board which shall be held immediately following the first annual meeting of the Members and at the same place. All subsequent annual meetings of the Board shall be held without notice immediately after, and at the same place as the annual meeting of Members. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice in writing to each member, delivered personally or by mail or telegram. Any member may in writing waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board without a meeting. A majority of the number of Board members shall constitute a quorum for the transaction of business. Unless otherwise expressly provided herein, any action may be taken by the Board upon the affirmative vote of those present at its meetings when a quorum is present.

4.9 **Execution of Investments.** All agreements, contracts, deeds, leases, vouchers for payment of expenditures, and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and countersigned by the Secretary.

ARTICLE V

POWERS OF THE BOARD

5.1 **General Powers of the Board.** Without limiting the general powers which may be provided by law, the Declaration or these By-Laws, the Board shall have the following general powers and duties:

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- (a) to elect the officers of the Association as hereinabove provided;
- (b) to administer the affairs of the Association and the Property;
- (c) subject to Section 5.4(b) below, to engage the services of a manager or managing agent who shall manage and operate the Property and the Townhome Common Area;
- (d) to formulate policies for the Administration, management and operation of the Property and the Townhome Common Area;
- (e) to adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Townhome Common Area, and to amend such rules and regulations from time to time;
- (f) to provide for the maintenance, repair and replacement of the Townhome Common Area and the exterior portions of the Townhome Units and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;
- (g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and legal counsel, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Townhome Common Area and the exterior portions of the Townhome Units and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be the employees of the managing agent);
- (h) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Townhome Unit Owners of such lots which have been occupied for residential purposes, their respective shares of such estimated expenses, as hereinafter provided; and
- (i) to exercise all other powers and duties vested in or delegated to the Association, and not specifically reserved to the Townhome Unit Owners by the Articles of Incorporation, the Declaration or these By-Laws.

5.2 **Capital Additions and Improvements.** The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations, capital additions or capital improvements to the Townhome Common Area (other than for purposes of replacing or restoring portions of the Townhome Common Area, subject to all the provisions of the Declaration) or to those portions of the Townhome Units as set forth in Section 5.1 of the Declaration having a total cost in excess of Ten Thousand Dollars (\$10,000.00), without in each case the prior approval of the owners holding two-thirds (2/3) of the total votes.

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5.3 **Tax Relief.** In connection with the Townhome Common Area, and to the extent the Association may be the legal titleholder thereof, the Board shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge all expenses incurred in connection therewith to the maintenance fund.

5.4 **Rules and Regulations; Management.**

(a) **Rules.** The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Townhome Unit Owners and Occupants. Written notice of such rules and regulations shall be given to all Townhome Unit Owners and Occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

(b) **Management.** Declarant or the Board may engage the initial management organization and if a management organization is so engaged, its contract shall expire not later than ninety (90) days after the date the initial meeting of Members is held. Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board; provided however, that if the Association, Declarant or Board shall enter into an agreement or agreements, including but not limited to professional management of the Property before the Transfer Date, such agreement or agreements shall be terminable by the Association without cause at any time after the Transfer Date; shall not require the payment of any penalty by the Association; and shall not require advance notice of termination of more than ninety (90) days. Any management fees incurred pursuant to this Section 5.4(b) shall be paid from the assessments collected pursuant to Article VI hereof.

(c) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Townhome Unit Owners or any of them.

5.5 **Liability of the Board of Directors.** The members of the Board and the officers of the Association shall not be personally liable to the Townhome Unit Owners or others for any mistake of judgment or for any acts or omissions made in good faith by such officers or Board members. The Townhome Unit Owners shall indemnify and hold harmless each of the members of the Board and each of the officers against all contractual liability to others arising out of contracts made by the Board or officers on behalf of the Townhome Unit Owners, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any Townhome Unit Owner arising out of any such contract made by the Board

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or officers or out of the aforesaid indemnity in favor of the members of the Board or officers, to the extent not covered by insurance, shall be limited to his proportionate share of the total liability thereunder.

ARTICLE VI

ASSESSMENTS - MAINTENANCE FUND

6.1 **Preparation of Estimated Budget.** The Board shall estimate the total amount necessary to pay the cost of wages, materials, taxes, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services authorized by the Board, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements as set forth in Section 6.6 of the Declaration.

6.2 **Extraordinary Expenditures.** The Board shall build up and maintain a reasonable reserve fund for authorized capital expenditures, contingencies, replacements and deficits in the Association's operating account ("**Extraordinary Expenditures**") not originally included in the annual estimate. Extraordinary Expenditures which may become necessary during the year shall be charged against such reserve fund. If such reserve fund proves inadequate for any reason, including non-payment of any Townhome Unit Owner's assessment, the Board may, at any time, levy a further assessment, which shall be divided pro rata among the remaining installments for such fiscal year and assessed equally among the Townhome Unit Owners. In the event, however, that the Board determines that there exists a surplus in the reserve for Extraordinary Expenditures, the Board shall have the authority to transfer such funds into the operating account to fund any deficit in said account. In the event the Board levies such further assessment, the Board shall serve notice thereof on all such Townhome Unit Owners 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 such Townhome Unit Owners shall be obligated to pay the adjusted monthly amount. At the time of closing of the sale of each Townhome Lot by Declarant, the Townhome Unit Owner shall pay (in addition to the first monthly assessment) to the Association, or as otherwise directed by the Board, an amount equal to two (2) times the first full monthly assessment for such Townhome Unit Owner, which amount shall be used and applied for start-up costs and as a working capital fund in connection with initial operating expenses for the Townhome Common Area and held for future working capital needs.

6.3 **Books and Records.** The Board shall keep full and correct books of account in chronological order of the receipts and expenditures affecting the Property, specifying and itemizing the maintenance and repair expenses of the Property and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Townhome Unit Owner or any representative of a Townhome Unit Owner duly authorized in

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writing or any holder, insurer or guarantor of a first mortgage secured by any portion of the Property at such reasonable time or times during normal business hours as may be requested by such Townhome Unit Owner or his representative or such holder, insurer or guarantor. Upon not less than ten (10) days' prior notice to the Board, any Townhome Unit Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessment or other charges due and owing from such Townhome Unit Owner. In addition, the Board shall provide for the preceding fiscal year, upon the written request of any holder, insurer or guarantor of a first mortgage secured by any portion of the Property, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Townhome Unit Owners at the end of each of its respective fiscal years, provided, however, that in the event an audited financial statement is not available, 51% or more of the Eligible Mortgage Holders (by number) shall upon request, be entitled to have such an audited statement prepared at their expense.

6.4 **Status of Collected Funds.** All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Townhome Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held in trust for the benefit, use and account of all the Townhome Unit Owners, other than Declarant. All funds not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

6.5 **Remedies for Failure to Pay Assessments.** Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, (i) the assessment shall bear interest from the due date at an annual rate per annum equal to the lesser of (a) eighteen percent (18%) and (b) the maximum rate then allowed by law, and (ii) the Association may bring an action at law or equity against the Townhome Unit Owner personally obligated to pay the same, or foreclose the lien against said Owner's Townhome Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. The amount of any delinquent and unpaid charges or assessments, and interest, costs and fees (including but not limited to management company fees) as above provided, shall be and become a lien or charge against the Townhome Lot of the Townhome Unit Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against the real estate. Unless otherwise provided in the Declaration, the members of the Board and their successors in office, acting on behalf of the other Townhome Unit Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. The lien of the assessments provided for herein shall be subordinate to the lien of any first or prior recorded mortgage now or hereafter placed on the Townhome Lots provided, however, that such prior recorded mortgage shall be subject to the lien of all unpaid assessments with respect to such Townhome Lot which became due and payable subsequent to the first to occur of the date the holder of said mortgage (1) takes possession of the Townhome Lot, (2) accepts a conveyance of any interest in the Townhome Lot and (3) has a receiver appointed in a suit to foreclose his lien.

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6.6 **Exempt Townhome Lots.** With regard to any Townhome Lots which are vacant or upon which Townhome Units are being constructed or have been completed and to which title has not been conveyed by Declarant (the "**Declarant Owned Lots**"), the total aggregate assessment due with respect to all Declarant Owned Lots shall be limited to the amount (the "**Shortfall**") by which (a) the aggregate amount of actual operating expenses from time to time required to be paid with respect to the Property exceeds (b) the amounts required to be paid by the Townhome Unit Owners other than Declarant for said actual operating expenses. For purposes of the foregoing calculation, in the event Declarant enters into a lease or installment contract for any Townhome Lot, then Declarant shall, as of the first day of occupancy under such lease or contract, be responsible for the payment of assessments on those Townhome Lots on the same basis as any other Townhome Unit Owner as provided in Section 6.1 hereof and, consequently, said Lot shall no longer be deemed to be a Declarant Owned Lot hereunder. Actual operating expenses shall mean those ordinary expenses attributable only to the period in question covering the maintenance and operation of the Property and shall not include capital expenditures, amounts set aside as a reserve for contingencies or replacements, prepaid items or inventory items to the extent attributable to subsequent periods. The foregoing amounts owed by Declarant for the Declarant Owned Lots may be paid by Declarant on a monthly basis or, at its option, paid to the Association at the close of each calendar year without interest. It is expressly understood and agreed that in no event shall Declarant's total obligation under this Section 6.8 with respect to Declarant Owned Lots ever exceed the amount of assessment due from each of the Townhome Unit Owners other than Declarant multiplied by the number of Declarant Owned Lots from time to time.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

All Townhome Unit Owners shall maintain, occupy and use their Townhome Units and the Townhome Common Area only in accordance with the terms of the Declaration and any additional rules and regulations adopted by the Board or by the Members.

The Board shall have full authority to enforce all such rules and regulations by taking all action as may be necessary.

ARTICLE VIII

COMMITTEES

8.1 **Board Committees.** The Board, by resolution adopted by a majority of the directors in office, may designate one (1) or more committees, each of which shall consist of one (1) or more directors; said committees, to the extent consistent with law and as provided in said

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resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and the delegation of authority to such committee shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him by law.

8.2 **Special Committees.** Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members, and the President of the Association shall appoint the members thereof. Any member thereof may be removed whenever in the Board's judgment the best interests of the Association shall be served by such removal.

8.3 **Term.** Each member of the committee shall continue as such until the next annual meeting of the Board and until his successor is appointed and shall have qualified, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

8.4 **Chairman.** One (1) member of each committee shall be appointed chairman.

8.5 **Vacancies.** Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

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

8.7 **Rules.** Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board.

ARTICLE IX **INTERIM PROCEDURE**

Until the initial meeting of the Members, Declarant (or its designee) may appoint the Board which shall have the same powers and authority as given to the Board generally.

ARTICLE X **AMENDMENTS**

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These By-laws may be amended or modified from time to time in accordance with the provisions of Section 11.3 of the Declaration. Such amendments shall be recorded in the Office of the Recorder of Deeds of Cook County, Illinois.

ARTICLE XI

DEFINITION OF TERMS

The terms used in these By-Laws shall have the same definition as set forth in the Declaration to which these By-Laws are attached to the extent such terms are defined therein. To the extent of any conflict, ambiguity or contradiction between the terms and provisions contained in these By-Laws and those contained in the Declaration, those contained in the Declaration shall, in all instances, control and prevail.

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EXHIBIT C

THE TOWNHOME LOTS

LOTS 1 THROUGH 68, BOTH INCLUSIVE, IN GATEWAY, BEING A RESUBDIVISION OF THAT PART OF THE WEST HALF OF SECTION 10, TOWNSHIP 43 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 6, 2018 AS DOCUMENT NUMBER 1809629036 IN COOK COUNTY, ILLINOIS.

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EXHIBIT D

LEGAL DESCRIPTION OF A PART OF THE TOWNHOME COMMON AREA

LOT 69 IN GATEWAY, BEING A RESUBDIVISION OF THAT PART OF THE WEST HALF OF SECTION 10, TOWNSHIP 43 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 6, 2018 AS DOCUMENT NUMBER 1809629036 IN COOK COUNTY, ILLINOIS.

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EXHIBIT E

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StormTrap Maintenance Manual

1. Introduction

Regular inspections are recommended to ensure that the system is functioning as designed. Please call your Authorized StormTrap Representative if you have questions in regards to the inspection and maintenance of the StormTrap system. Prior to entry into any underground storm sewer or underground detention systems, appropriate OSHA and local safety regulations and guidelines should be followed.

2. Inspection Schedules for Municipalities

StormTrap Stormwater Management Systems are recommended for inspection whenever the upstream and downstream catch basins and stormwater pipes of the stormwater collection system are inspected or maintained. This will economize the cost of the inspection if it is done at the same time the Municipal crews are visiting the area.

3. Inspection Schedules for Private Development

StormTrap Stormwater Management Systems, for a private development, are recommended for inspection after each major storm water event. At a minimum, until a cleaning schedule can be established, an annual inspection is recommended. If inspected on an annual basis, the inspection should be conducted before the stormwater season begins to be sure that everything is functioning properly for the upcoming storm season.

4. Inspection Process

Inspections should be done such that at least 2-3 days has lapsed since the most recent rain event to allow for draining. Visually inspect the system at all manhole locations. Utilizing a sediment pole, measure and document the amount of silt at each manhole location. Inspect each pipe opening to ensure that the silt level or any foreign objects are not blocking the pipes. Be sure to inspect the outlet pipe(s) because this is typically the smallest pipe in the system. It is common that most of the larger materials will be collected upstream of the system in catch basins, and it is therefore important at time of inspections to check these structures for large trash or blockages.

Remove any blockages if you can during the inspection process only if you can do so safely from the top of the system without entering into the system. **Do not go into the system under any circumstances** without proper ventilation equipment and training. Pass any information requiring action onto the appropriate maintenance personnel if you cannot remove the blockages from above during the inspection process. Be sure to describe the location of each manhole and the type of material that needs to be removed.

The sediment level of the system should also be measured and recorded during the inspection process. Recording the sediment level at each manhole is very important in order get a history of sediment that can be graphed over time (i.e. years) in order to estimate when the system will

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need to be maintained next. It is also important to keep these records to verify that the inspection process was actually performed if anyone asks for your records in the future.

The sediment level in the underground detention system can be determined from the outside of the system by opening up all the manholes and using a sediment pole to measure the amount of sediment at each location. Force the stick to the bottom of the system and then remove it and measure the amount of sediment at that location. Again, do not go into the system under any circumstances without proper ventilation equipment and training.

5. When to Clean the System

Any blockages should be safely removed as soon as practical so that the Stormwater detention system will fill and drain properly before the next stormwater event.

The Dry Detention System should be completely cleaned whenever the sediment occupies more than 10% to 15% of the originally designed system's volume. The Wet Detention System should be cleaned when the sediment occupies more than 30% or 1/3rd of the originally designed system's volume. NOTE: Check with your municipality in regards to cleaning criteria, as the allowable sediment before cleaning may be more or less than described above.

6. How to Clean the StormTrap

The system should be completely cleaned back to 100% of the originally designed storage volume whenever the above sediment levels have been reached. Be sure to wait at least 3 days after a stormwater event to be sure that the system is completely drained (if it is a Dry Detention System), and all of the sediments have settled to the bottom of the system (if it is a Wet Detention System).

Do not enter the System unless you are properly trained, equipped, and qualified to enter a confined space as identified by local occupational safety and health regulations.

There are many maintenance companies that are in business to help you clean your underground stormwater detention systems and water quality units. Please call your StormTrap representative for referrals in your area.

A. Dry Detention System Cleaning

Maintenance is typically performed using a vacuum truck. Sediment should be flushed towards a vacuum hose for thorough removal. For a Dry Detention System, remove the manhole cover at the top of the system and lower a vacuum hose into one of the rows of the StormTrap system. Open up the manhole at the opposite end of the StormTrap and use sewer jetting equipment to force water in the same row from one end of the StormTrap row to the opposite side. The rows of the StormTrap are completely open in one contiguous channel from one end to the other for easy cleaning.

Place the vacuum hose and the sewer jetting equipment in the next row and repeat the process until all of the rows have been cleaned.

When finished, replace all covers that were removed and dispose of the collected material properly.

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B. Wet Detention System Cleaning

If the system was designed to maintain a permanent pool of water, floatables and any oil should be removed in a separate procedure prior to the removal of all sediment.

The floatable trash is removed first by using a bucket strainer to capture and remove any floating debris.

The floatable oils are then removed off the top of the water by using the vacuum truck to suck off any floatable fluids and liquids.

The next step is to use the vacuum truck to gently remove the clarified water above the sediment layer.

The final step is to clean the sediment for each row as described above in the paragraph "A. Dry Detention System Cleaning". For smaller systems, the vacuum truck can remove all of the sediment in the basin without using the sewer jetting equipment because of the smaller space.

8. Proof of these inspections is the responsibility of the property owner. All inspection reports and data should be kept on site or at a location where they will be accessible for years in the future. Some municipalities require these inspection and cleaning reports to be forwarded to the proper governmental permitting agency on an annual basis.

Refer to your local and national regulations for any additional maintenance requirements and schedules not contained herein. Inspections should be a part of your standard operating procedure.

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SAMPLE INSPECTION AND MAINTENANCE LOG

| Date | Depth of Sediment | Accumulated Trash | Maintenance Performed | Maintenance Personnel | Comments |
|------|-------------------|-------------------|-----------------------|-----------------------|----------|
| | 3" | None | Sediment Removal/Vac | B. Johnson | |

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EXHIBIT F

STORM WATER FACILITY INSPECTION AND MAINTENANCE PLAN

Gateway Townhomes (1179-1275 Shermer Road) StormTrap Storm Water System Inspection and Maintenance Guidelines

1. Introduction

Regular inspections are required to ensure that the storm water detention system installed on the Property ("**System**") is functioning as designed. Prior to entry into any underground storm sewer or underground detention systems, appropriate OSHA and local safety regulations and guidelines should be followed.

2. Mandatory Inspection Schedule

The Gateway Townhomes Homeowners' Association ("**Association**") must ensure that the following inspections of the System are conducted:

- A. One annual inspection in September of each year. Association is required to notify Village Engineer in writing two weeks in advance of inspection. Village Engineer will have right to send an employee to monitor
- B. Mandatory inspection after any rainfall totaling 1 inch or more during a 24 hour period.

3. Inspection Process

Inspections should be conducted at least two to three (2-3) days after the most recent rainfall event to allow for draining of the Vault. Visually inspect the System at all manhole locations. Utilizing a sediment pole, measure and document the amount of silt at each manhole location. Inspect each pipe opening to ensure that the silt level or any foreign objects are not blocking the pipes. Be sure to inspect the outlet pipe because this is typically the smallest pipe in the System. It is common that most of the larger materials will be collected upstream of the System in catch basins, and it is therefore important at time of inspections to check these structures for large trash or blockages.

Remove any blockages during the inspection process only if you can do so safely from the top of the System without entering into the System. **Do not go into the System under any circumstances** without proper ventilation equipment and training. Pass any information requiring action onto the appropriate maintenance personnel if you cannot remove the blockages from above during the inspection process. Be sure to describe the location of each manhole and the type of material that needs to be removed.

The sediment level of the System shall be measured and recorded during the inspection process. Recording the sediment level at each manhole is important in order get a history of sediment that can be graphed over time (i.e. years) in order to estimate when the System will need to be maintained next. Keep these records to verify that the inspection process was performed.

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The sediment level in the underground detention system can be determined from the outside of the System by opening all the manholes and using a sediment pole to measure the amount of sediment at each location. Force the stick to the bottom of the System and then remove it and measure the amount of sediment at that location.

4. When to Clean the System

Any blockages should be safely removed as soon as practical so that the System will fill and drain properly before the next rainfall/storm water accumulation event.

The dry detention system shall be completely cleaned whenever the sediment occupies more than 10% of the originally designed system's volume

5. How to Clean the StormTrap

The System shall be completely cleaned so as to restore 100% of the originally designed storage volume whenever the above sediment levels have been reached. Wait at least three (3) days after a rainfall/storm water accumulation event to be sure that the System is completely drained.

Do not enter the System unless you are properly trained, equipped, and qualified to enter a confined space as identified by local occupational safety and health regulations.

Dry Detention System Cleaning

Maintenance should be performed using a vacuum truck. Sediment should be flushed towards a vacuum hose for thorough removal. Properly trained personnel will need to enter the Vault to flush debris from each section. When finished, replace all covers that were removed and dispose of the collected material properly.

6. Evidence of Inspection

Maintaining records and proof of all inspections is the responsibility of the Association. All inspection reports and data should be kept on site or at a location where they will be accessible for all rain events and annual inspections. All inspections reports shall be forwarded to the attention of the Village Engineer. All rain event inspections shall include a (a) Maintenance Inspection Log (see form attached as *Exhibit 1*), (b) a signed letter by the inspection company with a brief description of the inspection including the date of the last inspection, (c) the date of the last 1" rain event, and (d) the depth of debris found in the vault and catch basins. The annual inspection shall include everything listed in the rain event inspection along with a video inspection of all System sections including depth checks on video. Properly trained personnel will need to enter the vault to conduct video inspection and depth checks.

