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 - COOK COUNTY RECORDER

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May 17, 1995

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR THE ATRIUM HOMES TOWNHOMES

THIS DECLARATION is made by Turush Gap, Inc., an Illinois corporation, ("Declarant").

WITNESSETH:

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WHEREAS, Declarant is the titleholder of the real estate located in Chicago, County of Cook, State of Illinois, legally described in Exhibit "A" attached hereto and made a rest hereof; and

WHEREAS, the Declarant desires to establish certain rights, ease-ments and privileges in, over and upon the said real estate and certain mutually beneficial covenants, conditions, restrictions and obligations with respect to the proper use, conduct and maintenance thereof, as hereinafter set furth, for the mutual benefit of all owners and occupants and intends that all owners, occupants, and mortgagees of the real estate or portions thereof and any other persons hereinafter acquiring any interest therein shall hold their respective interests subject thereto, and all such rights, easements, privileges, covenants, conditions, restrictions and obligations are in furtherance of a plan to promote and protect the quality of residence in the development and are established for the purpose of preserving, enhancing and perfecting the value, desirability and stigactiveness of the development and for the maintenance, repair, replacement and administration of the common at each certain other portions of the development:

NOW THEREFORE, the Declarant, as the legal titleholder of the real estate described in Exhibit "A", and for the purposes hereinabove set forth, declares as follows:

- DEFINITIONS. As used herein, unless the context otherwise requires:
- "Articles of incorporation" means the articles of incorporation of the Association, a copy of which is attached hereto and made a part hereof as Exhibit "B", as amended from time to time.
- (b) "Association" means an Illinois not-for-profit corporation, formed (or to be formed, as the case may be) pursuant to the Articles of Incorporation, known as ATRIUM HOMES TOWNHOME ASSOCIATION.

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- (c) "Board" means the Board of Directors of the Association.
- (d) "Bylaws" means the Bylaws of the Association attached herote and made a part heroof as Exhibit "C", as amended from time to time.
- (e) "Common Area" means all of the Development, except the self-contained dwelling structures and the individual parcels of land conveyed therewith as described in clauses (i) and (ii) of paragraph (n) hereof, and shall include, but not be limited to, any project entrance signs, recreational facilities, storage building, landscaping, lighting systems, fencing, walkways, private streets, and public and private utility lines or facilities located outside the boundaries of such individual parcels of land.
- (f) "Common Expenses" means all expenses of administration, operation, maintenance and repair of the Common Area, and all other expenses incurred by the Association in conformance with this Declaration and the Bylaws which are to be shared equally (except as otherwise expressly provided herein) by all Townhome Owners including, but not limited to, real estate taxes, if any, levied against the Common Area.
- (g) "Declaration" means this instrument, as amended from time to time, by which the Development is submitted to the provisions hereof, as hereinafter provided.
- (h) "Development" meta (i) all the land, property and space comprising the Property and all improvements and structures now or hereafter erected, constructed or contained thereon or therein, (ii) all easements, rights and appurtenance i now or hereafter belonging to the Property, (iii) and all furniture, furnishings, fixtures, facilities and equipment row or hereafter located on the Property which are intended for the mutual use, benefit or enjoyment of all row home Owners.
 - (i) "Director" means a director on the Buard.
- (j) "Party Wall" means any wall which is built as part of the original construction of two self-contained dwelling structures and placed on the dividing line between such structures.
- (k) "Person" means a natural individual, corporation partnership, trustee or other logal onlity capable of holding title to real property.
- (I) "Plat of Subdivision" means the Atrium Homes Subdivision Coarborn Park Townhomes Plat recorded as Document No. 95308894 in Cook County, Illinois, designating Local 15.
 - (m) "Property" means real estate described in Exhibit "A".
- (n) "Townhome" means collectively (i) a self-contained dwelling structure tocated in the Development, intended for use exclusively as living quarters for a single family, (ii) the individual parcel of land, as shown on the Plat of Subdivision that is conveyed to the Townhome Owner in connection with the sale of such self-contained dwelling structure to said Townhome Owner, (including, but not limited to, the price and/or deck for such dwelling comprising a part of such parcel), and (iii) all appurtenances to such self-contained dwelling structure and individual parcel of land, including, but not limited to, any interest in the Common Area appurtenant, pertaining or corresponding to such self-contained dwelling structure and individual parcel of land.
- (c) "Townhome Owner" means the Person or Persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Townhome. Unless specifically provided otherwise herein, the Declarant shall be deemed to be a Townhome Owner with respect to any Townhome to which the Declarant holds title.

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- (p) "Townhome Owner's Share" means 100% divided by the total number of townhomes in the Development conveyed by Declarant.
- 2. <u>SUBMISSION OF PROPERTY TO THIS DECLARATION</u>. The Declarant, as the owner of the Property declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the terms of this Declaration.

3. LEGAL DESCRIPTION OF TOWNHOMES.

- (a) No Townhome Owner shall, by deed, plat, court decree or otherwise, subdivide or in any manner cause his Townhome to be separated into any tracts, parcels or interests different from the whole Townhome as described herein.
- 4. ASSOCIATION AND BYLAWS. These shall be formed pursuant to the Articles of Incorporation of the Association which Association shall be the governing body for all Townhome Owners and the Development, for the purposes of maintenance, repair, replacement, administration and operation of the Development, as provided in this Declaration. The management and operation of the Association shall be in the manner specified in the Bylaws and in various other paragraphs of this Declaration.
- 5. OWNERSHIP OF THE COMMONAREA. Fee title to the Common Area shall be held by the Association and as soon after with the recording of this Declaration as the Association has been incorporated, Declarant shall convey to the Association by quit claim deed said title to the Common Area resulting therefrom. All and whatever interest each of the Triwnt ome Owners has in the Common Area corresponding to each of the respective Townhomes, as herein classifier described, shall be deemed conveyed together with that Townhome, even though the legal description in the instrument conveying said Townhome refers only to the fee title to that Townhome and not specifically to the interest in the Common Area corresponding to said Townhome.

8. USE OF THE COMMON AREA AND CEPTAIN EASEMENTS.

- Each Townhome Owner shall have the right to the Common Area in common with all other Townhome Owners, as may be required for the purposes of access ingress to, agrees from, use, occupancy and enjoyment of the Townhome owned by such Townhome Owner, subject to the easements described in paragraphs 6(b) and 6(c) hereof. Said rights to use the Common Area shall extend not only to each Townhome Owner but also to his agents, servants, family members, invitees and guests. Said rights to use the Common Area shall be subject to and governed by the provisions of this Declaration and the Bylaws and the rules and regulations adopted by the Association or the Board. In addition, the Association, and the Board acting on behalf of the Association, shall have the authority to lease, grant concessions or grant casements with respect to parts of the Common Area, subject to the provisions of this Declaration and the Bylaws. All revenues derived by the Association from such easements, leases or concessions or from other sourcer shall be hold by the Association and used for the sole benefit of the Townhome Owners, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.
- (b) The Common Area shall be subject to a blanket easement in favor of the Declarunt, and its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors and assigns, for the purposes of (i) access and ingress to and egress from said Common Area, (ii) construction, installation, repair, replacement and restoration of utilities, streets, roads, buildings, landscaping and any other improvements on the Property, (iii) tapping into and using sewer and water lines and other utility facilities and lines on or adjacent to the Property, and (iv) any other development of said Property permitted hereunder. The Declarant shall restore or repair any damage caused by its exercise of the foregoing blanket easement.
- . (c) The Common Area and the individual parcels of land described in clause (ii) of paragraph 1(n) shall be subject to a blanket easement in favor of the Association, and individual easements in favor of Illinois

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Bell Telephone Company, Commonwealth Edison Company, People's Gas Company, CATV Ilconsec, and all other public or private utilities serving the Development, granting the Association and such utilities the right to install, lay, construct, renew, operate and maintain, repair and replace condults, cables, pipes, sower and water lines, electrical wiring, transformers and switching apparatus and other equipment including housings for such equipment, into, over, under, along, and through sald Common Area and the aforeatid individual parcels of land (not, however, through any individual self-contained dwelling structure described in clause (i) of paragraph 1(n) other than an exterior wall whose interior surface will be unaffected thereby) for the purpose of providing utility and other services contemplated herein to the Property, or any parts thereof, together with reasonable rights of ingress to and egress from the Property, for such purposes. The Association, and the Beard ucling on behalf of the Association, may hereafter grant other or additional easoments for utility purposes for the benefit of the Property over, under, along, and on any portion of said Common Area and individual parcels of land, not, however, through any self-contained dwelling structure described in clause (i) of paragraph 1(n), except as aforesoid, and each Townhome Owner hereby grants the Association, and the Board acting on behalf of the Association, an irrevocable power of attorney to execute, acknowledge, and record in the name of such Townhome Owner hereby grants the Association, and record in the name of such Townhome Owner hereby grants the Association, and record in the name of such Townhome Owner, such instruments as may be necessary or appropriate to effectuate the foregoing.

- PARTY WALLS. To the extent not inconsistent with the provisions of this Section 7, the general rules of law regarding party wells and of liability for properly damage due to negligent or willful acts or omissions shall apply to all Party Walls. The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Townhome Comers who make use of the Party Wall in proportion to such use. If a Party Wall is destroyed or damaged by fire or other casualty, any Townhome Owner who has used the Party Wall may restore it, and if the other Townhome Owner thereafter makes use of the Party Wall, the other Townhome Owner shall contribute to the cost of restoration thereof in proportion to such use without projudice, however, to the right of the Townhome Owner who restores such Party Wall to call for a larger contribution from the other Townhome Owner under any rule of lav reparding liability for negligent or willful acts or omissions. Any Townhome Owner who, by his negligent or villful act, causes any Party Wall to be exposed to the elements, shall bear the entire cost of repair and restored in and of furnishing the necessary protection against such elements. The right of any Townhome Owner to contribution from any other Townhome Owner under this Section 7 shall be appurtenant to and run with the Townhome owned by the Townhome Owner entitled to contribution and shall pass to the successors in title of such Townhome Owner entitled to such contribution. Any dispute arising concerning a Party Wall, or arising under the provisions of this Section 7, shall be resolved by the Board, whose resolution shall be final and binding on the narties to such dispute.
- 8. PRIVATE STREETS. Any private street or streets in the Development shall be part of the Common Area and may be used for those purposes, determined by and subject to reasonable rules and regulations adopted by the Board or Association. The cost of maintenance and upkeep of such private street or streets shall be a Common Expense. If the Association so elects, a two-thirdy mojority of the Townhorne Owners at a meeting of Owners duly called for such purpose may elect to dedicate a portion of the common elements to a public body for use as, or in connection with, a street or utility.
- 9. LIEN FOR COMMON EXPENSES AND OTHER CHARGES. Each Townhome Owner shall be responsible for and shall pay the assessments applicable to his Townhome for Common Expenses as determined and assessed by the Board pursuant to and in accordance with this Declaration or the Bylaws. If any Townhome Owner shall fail or refuse to make any such payment when due, the amount thereur, together with interest thereon at the highest lawful rate permitted under the laws of the State of Illinois, or eighteen (18%) percent per annum, whichever is less, shall (in addition to being the personal obligation of such Townhome Owner) constitute a continuing lien on such Townhome Owner's Townhome; provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage against such Townhome, except for the amount of such Townhome Owner's Share of the Common Expenses, together with Interest thereon as hereinabove provided, which becomes due and payable from and after the date on which the mortgagee under said first mortgage either takes possession of the Townhome or accepts a conveyance thereof, or the date on which said mortgagee under said first mortgage causes a receiver to be appointed for such Townhome.

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Notwithstanding the provisions of the above paragraph, the purchaser of a Townhome at a judicial foreclosure sale, or a mortgagee who receives title to a townhome by deed in lieu of foreclosure or judgement by common law strict foreclosure or otherwise takes possession pursuant to court order under the Illinois Mortgage Foreclosure Law, shall have the duty to pay the Townhome's proportionate share of the common expenses for the Townhome assessed from and after the first day of the month after the date of the judicial foreclosure sale, delivery of the deed in lieu of foreclosure, entry of a judgement in common law strict foreclosure, or taking of possession pursuant to such court order.

- 10. MORTGAGES. Each Townhome Owner shall have the right, subject to the provisions hereof, to make separate mortgages (including, without limitation, purchase money mortgages), deeds of trust (equivalent to mortgages), or other equivalent security interests for his Townhome with banks, insurance companies, savings and loan associations, mortgage bankers or other bona fide lenders. The Townhome Owner shall not have the right or authority to make or create, or cause to be made or created, any mortgage or other lier, on or affecting the Development other than his Townhome.
- 11. SFPARATE REAL ESTATE TAXES. Real estate taxes shall be separately taxed to each Townhome. In the event that such taxes for any year are not separately billed for each Townhome, but rather, a bill includes more than one Townhome, or a Townhome and a portion of the Common Area, each Townhome Owner whose Townhome is included in a collective bill shall pay an equitable share of that bill as reasonably determined by the Declarent in a manner, however, which recognizes and accounts for differences in assessments depending on whether real estate is deemed by the Assessor to be unimproved, partially improved, or fully improved in relation to when a Townhome is first sold. Real estate taxes, if any, levied against the Common Area, as a parcel or parcely separate and apart from the Townhomes (as distinguished from and not including real estate taxes levied against the Townhomes which reflect the value to the Townhomes of the Common Area) shall be a Common Expense cayable by the Association. Real estate taxes levied against the Common Area for the year in which such Common Area is established, pursuant to the recordation of the Declaration shall be equitably prorated between Declarant and the Association.

12. INSURANCE.

- (a) The Board shall have authority to, and shall solid comprehensive public liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area, and such other liability insurance as it deems desirable in amounts deemed sufficient in the judgement of the Board and other insurance as the Board deems nucet sary. The premiums for all said insurance specified in this paragraph 12(a) shall be a Common Expense. The Board shall retain in safe-keeping any insurance policy obtained as herein specified for as long as the larger thereof has potential for liability thereunder.
- the Board shall also have the authority, and may, if the Board dearns it in the best interest of at least a majority of the Townhome Owners, obtain a master insurance policy for the Dovelonment, providing (in addition to one or more of the coverages specified in paragraph 12(a) hereof) all description cost insurance for all of the Townhomes, including, but not limited to, those additions and improvements to a Townhome of which the Townhome Owner responsible therefore has given the Board and the insurance carrier written notice (but excluding all personal property located in a Townhome). If the Board elects to obtain the aforesaid master insurance policy, the insurance policy shall name the Association and each Townhome Owner and his mortgages, if any, as insureds, and shall contain, if obtainable, a walver of subrogation rights by the issuer as described in paragraph 12(a) hereof. If the Board obtains such a master insurance policy, the premiums therefore, to the extent they pertain to the all risk replacement cost insurance for the Townhomes shall not be a Common Expense, and each Townhome Owners shall pay his proportionate share thereof based upon the ratio between the area of his Townhome Owners shall pay his proportionate share thereof based upon the ratio between the area of his Townhome and the aggregate area of all Townhomes in the Development plus the added cost, if any, for additional improvements made by such Townhome Owner, as aforesaid (excluding all personal property located in such Townhomes). If the Board obtains such a master insurance policy, no Townhome Owner shall take out separate insurance concurrent in form or contributing in

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the event of loss with the coverage provided in said master policy unless the Association is included as an insured thereunder, as its interests may appear.

- If the Board has not purchased the aforesaid master insurance policy, each Townhome Owner shall, at his own expense, obtain, and maintain throughout the period of his ownership of a Townhome, all risk replacement cost insurance on his Townhome, including without limitation, any and all additions and Improvements thereto, and insurance against such other hazards as the Board may provide by resolution, such insurance coverage to be in form, substance, amount and with an insurance carrier satisfactory to the Board. Such insurance coverage shall name the Association as an additional insured thereunder as the Association's interest may appear. Each such policy of insurance shall contain, if obtainable, a waiver of subrogation rights by the insurer as described in paragraph 12(a) hereof. Each Townhome Owner shall submit to the Association a certificate of insurance naming the Association as an additional insured thereunder. The proceeds of such insurance shall be payable to the Townhome Owner and the Association as their interests may appear and shall be used to restore such Townhome to the same condition in which it existed prior to such damage or destruction; and the Association shall have the right to compel the Townhome Owner (or the holder of such proceeds, if other than said Townhome Owner) to so apply such proceeds. Subject to the rights of any mortgagee under a recorded first mortgage on such Townhome, the Association shall have the right, at its election, to collect and copies for any such insurance proceeds. In the event a Townhome Owner desires to insure against his personal l'ability above and beyond the extent that his personal liability is covered by the insurance pertaining to the Common Area obtained by the Board, as provided above, said Townhome Owner may, at his sole option, obtain such additional insurance at his sole expense.
- DAMAGE OR DESTRICTION. In the event of a fire or any other disaster causing loss, or 13. destruction to or of, any Townhome or any portion thereof, the Townhome Owner of any such Townhome covenants and agrees that such Townhome Ov mer shall complete reconstruction within a reasonable time (not to exceed six months subject to delays over which he Townhome Owner had no reasonable control) after such loss, damage or destruction, in a substantial and workmanlike manner with materials equal to or better than those used in the original structure, and that all construction performed by or caused to be performed by such Townhome Owner shall conform in all respects to the lows and ordinances regulating the construction of buildings in force at the time of such reconstruction. All aveileble insurance proceeds shall be applied to such reconstruction, with the excess, if any, to be paid to the Townhome. The exterior of such Townhome, when rebuilt, shall be substantially identical to, and of architectural design in conformity with, the exterior of such Townhome prior to the loss, damage or destruction. In the event of the total or substantial destruction of all of the Townhomes in the Development, the architectural design of the extends of the Townhomes to be rebuilt and the materials to be used in constructing the same shall be agreed upon by seventy-five (75%) percent of the Townhome Owners and the Association, and in the absence of such at 130 ment, the rebuilt Townhomes shall be substantially identical in architectural design to the original Townhomes crior to the loss, damage or destruction and shall be constructed of materials equal to or better than the (riginal materials used. All reconstruction performed pursuant to the provisions of this Section shall be subject to the approval of the Association. In the event that any Townhome Owner shall fall to perform the necessary aconstruction in accordance with the provisions hereof, then the Association may, but shall not be required to cause such reconstruction to be furnished, provided and installed in accordance with the provisions hereof and the total cost thereof shall be paid by the Townhome Owner. In any such event, the Association shall have, ring is hereby given a continuing lien on the Townhome to which any such reconstruction is furnished by the Association in the aggregate amount of (i) the cost thereof, (ii) interest at the maximum rate permitted by the laws of illinois, or eighteen (18%) percent per annum, which ever is less, from the date of the Association's payment of such costs, and (iii) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall bind such Townhome in the hands of such Townhome Owner, his heirs, devisees, personal representatives, grantees and assignees. In the event such Townhome Owner does not forthwith fully repay the Association therefore, as aforesaid, such lien may be foreclosed against the Townhome by the Association, in the same manner as provided in connection with unpaid assessments. The Association's lien described in this Section shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Townhome.

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14. MAINTENANCE, REPAIRS AND REPLACEMENTS.

- (a) Except as provided in the following paragraph 14(b), each Townhome Owner at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements outside and within his own Townhome. If due to the act or neglect of a Townhome Owner, or of his agent, servant, family member, guest, invitee, licensee or household pet, damage shall be caused to the Common Area or to a Townhome not owned by said Townhome Owner, or, maintenance, repairs, or replacements are required which would otherwise be a Common Expense, then such Townhome Owner shall pay for such damage or such maintenance, repairs and replacements as may be determined by the Association, to the extent not covered by insurance (including the amount of any applicable deductible). The authorized representatives of the Association, Board or Managing Agent, if any, with the approval of the Association, shall be entitled to repsonable access to any of the Townhomes as may be required in connection with maintenance, of, repairs to, or replace nent of the Common Area, or any equipment, facilities or fixtures affecting or serving any other Townhome or Common Area.
- (b) in sacillon to maintenance and repair of the Common Area, the Association shall be responsible for and shall have the right to:
- (i) Provide landscaping and planting and maintenance of all trees, shrubs, and ground cover in the Development, including private yards, as well as public parkways adjacent to the Development. This shall not preclude landscape welk by an individual Townhome Owner in such Townhome Owner's private yard in keeping with standards set by the Board from time to time.
- (ii) Provide maintenance of all fencing and driveways in and around all or portions of the Development.
- (iii) Provide for snow removal of the private streets, driveways, and aldewalks in the Development.

The cost of the foregoing items of landscaping, main enance and repair shall be a Common Expense, except as hereinafter provided. The cost of any exterior maintenance which the Association is not otherwise required to furnish but which is furnished at the request of any Townsome Owner, or any maintenance which has been made necessary by reason of the willful or negligent act or omission of any Townsome Owner or of his agent, servent, family member, guest, invitee, licensee, or household not, the expense of which is not reimbursed by the proceeds of any insurance (including the amount of any applicable deductible), shall be assessed only against that Townsome Owner requesting or charged with necessitating such maintenance and shall be payable in the calendar month assessed, and shall be subject to the same illen in the event of nonpayment, as such Townsome Owner's Share of Common Expenses. For the purposes of performing the exterior maintenance required or authorized by this paragraph, the Association through its duly authorized agents or employees, shall have the right to enter upon any Townsome during any reasonable hours on any day, after giving reasonable written notice to the Townsome Owner.

- (c) If the Association furnishes maintenance with respect to a Townhome at the request of a Townhome Owner other than as required by this Declaration, which the Association may elect to do, but shall have no obligation to do, the Association may require such Townhome Owner to pay the cost thereof in advance.
- 15. <u>ALTERATIONS. ADDITIONS OR IMPROVEMENTS.</u> No alteration of any portion of the Common Area or any Townhome, or any additions or improvements thereto shall be made by a Townhome Owner without the prior written approval of all Directors on the Board or a majority of Townhome Owners, except for interior improvements not visible outside the Townhome and not affecting the structural integrity of the Townhome or the building of which the Townhome is a part. Without limiting the generality of the foregoing,

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this restriction applies to the erection of any structure, shed, gazebo, screen enclosure, basketball goal or swimming pool.

The Townhome Owner shall promptly report the value of any exterior improvements to the applicable insurance carrier and the Board and shall give the Board fifteen days prior written notice before commencement of any work thereon. The Board may authorize alterations of, additions to and improvements to any portion of the Common Area, as provided in the Bylaws and charge the cost thereof as a Common Expense. Any Townhome Owner making alterations, additions or improvements to his Townhome shall be responsible for any damage to any other Townhomes, the Common Area, the Development, or any part thereof, resulting from such alterations, additions or improvements.

- 16. DECORATING AND MAINTENANCE OF TOWNHOME. Each Townhome Owner, at his own expense, shall furnish and be responsible for all maintenance and decorating outside and within his own Townhome somety be required from time to time to keep it in good condition. Replacement or repair of exterior doors, garage doors, windows, window frames, masonry, roofing, exterior fixtures, and exterior hardware shall be strictly in accordance with specifications set by the Board to assure uniformity of design and appearance.
- 17. ENCE OF CHMENTS. If any portions of the Common Area shall encroach upon any Townhome, or if any Townhome shall encroach upon any portions of the Common Area or any other Townhome, as the Common Area and Townhomes are shown in the Assessment Plat, there shall be deemed to be a mutual easement in favor of the owners of the Common Areas and the respective Townhome Owners involved, to the extent of such encrosenments, so long as the same shall exist.

18. TRANSFER OF A TO VNHOME.

- (a) A Townhome Owner may, wit 101 trastriction under this Declaration, sell, or otherwise transfer his Townhome subject only to the limitations and requirements for leasing set forth below. Notice of any such unrestricted transfer shall be given to the Board within five days following consummation of such transfer.
- (b) A Townhome Owner may lease his Townhome provided that the following limitations and requirements are complied with:
- (i) The Townhome Owner shall deliver a copy of the signed lease to the Board prior to occupancy by any tenant.
- (ii) No lease shall be for a stated term of less than (x) (6) months. The Lease shall contain the statement "Tenant agrees to be bound by the Declaration of Coverants, Conditions, Easements and Restrictions for the Atrium Homes Townhomes and any rules and regulations promulgated by the Board. Tenant agrees that the Board shall have the right to proceed directly against Tenant at his or in equity or under the provisions of Articles IX of the Code of Civil Procedure for any breach by Tenant of any rules, regulations, covenants, restrictions or Bylaws".
- (iii) No lease shall in any way relieve or discharge the Townhome Owner from n's obligations hereunder, who shall, at all times during any lease, remain fully responsible for the performance thereof.

19. USE AND OCCUPANCY RESTRICTIONS.

(a) No part of the Development shall be used for other than housing and the related purposes for which the Development was designed. Each Townhome shall be used only as a residence for a single family. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Townhome Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, or handling his personal business or professional telephone

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calls or correspondence within his Townhome. The uses set forth in the preceding sentence are expressly declared customarily incidental to the principal residential use of a Townhome and not in violation of the restriction on use contained herein.

- (b) The Common Area shall be used only by the Townhome Owners and their agents, servants, family members, guests and invitees for access, ingress to and egress from their respective Townhomes and for purposes incidental to the residential use of the Townhome; provided, however, that any recreational facilities, parking area, management office, or other special area designed for a specific use and purpose and constituting part of the Common Area shall be used only for such specific use and for such other uses and purposes as are approved by the Board in accordance with the provisions of this Declaration and the Bylaws. The uses, maintenance and operation of the Common Area shall not be obstructed, damaged, or unreasonably interfered with by any Townhome Owner, and shall be subject to any lease, concession or ensument now or hereafter in existence affecting any part or all of said Common Area.
- (c) No unlawful, noxious or offensive activities shall be conducted in or upon, or suffered to be conducted in or upon any Townhome or the Development nor shall anything be done therein or thereon which, in the judgement of the Board, shall constitute a nulsance or cause unreasonable noise or disturbance of others.
- (d) No facilities, including poles and wires for the transmission of electricity, telephone messages and the like shall be placed or maintained above the surface of the ground on any individual parcel of land constituting part of a Townhome, and no external or outside antennas of any kind shall be permitted or maintained (except for any such facilities built by the Declarant as part of the original construction of the Development). The preceding sentence shall not proclude the installation of above ground transformers, pedestals, meter panels or other apportant aces which may be required as normal to the installation of underground gas, telephone, electricity and write transmission systems, stroot lighting, installed by Declarant or public utility companies in easements reserved for such purposes.
- (e) Except for private passenger motor vehicles, motorcycles, and mopeds, no motor vehicles or trailers shall be stored in or upon any Townhome without the written consent of the Board. Passenger motor vehicles, motorcycles and mopeds shall be parked only in galages. Exterior parking spaces shall be used only for temporary guest parking, not to exceed 24 hours by any one guest.
- (f) No tumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any individual parcel of land constituting part of a Townhome, except building materials during the course of construction of any approved structure. Trash, garbage, and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as pescribed from time to time in rules and regulations of the Board. Such containers may be placed in the open, on the day that a pick-up is to be made in such a place as to provide access to persons making such pick-up. At all other times such containers shall be stored in such a manner so that they cannot be seen from adjactant and surrounding property. The Board, in its discretion, may adopt and promulgate reasonable rules and regularions relating to the size, shape, color and type of trash, garbage and other waste containers permitted and the manner of storage of the same in the Development. The cost of purchase, repair and replacement of such containers shall be at Townhome Owner expense.
- (g) No water pipes, sewer pipes or drainage pipes shall be installed or maintained in or on any Townhome above the surface of the ground, except hoses used for Irrigation purposes. No Townhome shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth.
- (h) No mimals shall be raised, bred or kept in any Townhome or the Common Area, except not more than two (2) dogs per Townhome, cats, and small birds, fish and other pets commonly kept as household pets, provided: i) such pets are not kept or bred for any commercial purpose; ii) such pets are kept on a leash

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or in a cage when in the Common Area; iii) such pets shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the board (which rules and regulations may limit the number and sizes of household pets which may be kept in a Townhome); and iv) such pets shall not, in the judgement of the Board, constitute a nuisance to others. No animal waste shall be left in the Common Area and no animal waste shall be permitted to accumulate anywhere outside of a Townhome. The Board shall have the right to require removal within ten (10) days of any pet which constitutes a nuisance.

- (i) No sign or other advertising device of any nature shall be placed upon any Townhome or in any window or glass door without the consent of the Board except as provided otherwise herein. Notwithstanding the foregoing, a family or professional name plate, a name and address plate, or an address plate on the first floor of the Townhome, none of which shall exceed four (4) square inches in area (except with the written coresent of the Board) may be displayed. The Declarant, however, reserves the right to erect such signs as it may are mnecessary in or on the Development, whose size and design shall not be subject to the foregoing restrictions, until all the Townhomes in the Development are sold and deeds delivered therefore.
- (j) No Tormhome Owner shall display, hang or store any clothing, sheets, blankets, laundry or other articles outside his fournhome or which may be visible from the outside of this Townhome (other than draperies, curtains, or shades of neutral nature and appearance, subject to the rules and regulations of the Board) or paint, decorate, or adorn the outside of his Townhome or install outside his Townhome any canopy or awning, or other equipment, fit turse or items of any kind, without the prior written permission of the Board.
- (k) No machinery or power ariven vehicles shall be placed or operated upon any Townhome or any portion of the Common Area, except such that hinery as is usual in maintenance of a private residence and except private passenger automobiles, motorcycles and mopeds. No Townhome Owner shall operate any machines, appliances, accessories, or equipment in such a rnanner as to cause, in the judgment of the Board, an unreasonable disturbance to others.
- (i) No person shall obstruct, after or in any manner modify the established drainage pattern from, on or over any Townhome or any portion of the Common Area. The Declarant reserves the right for itself and the Association to enter upon any Townhome and the Common Area to correct, as it may deem necessary, any drainage condition.
- (m) No plant, hedge, shrub or flowers planted by a Townhome Cwner shall be allowed to grow in a manner which, in the judgement of the Board, materially detracts from the overall landscaping of the Development.
- (n) Each Townhome Owner shall maintain his Townhome in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Townhome or the Common Area which may increase the cost or cause the cancellation of insurance on other Townhomes or or inc Common Area or materially increase the cost of or make it impossible for the Association to provide the matters specified in paragraph 14(b).
- (o) Articles of personal property belonging to any Townhome Owner, such as baby carriages, camping vehicles, trailers, boats, snowmobiles, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept on or in any portion of the Common Area, except as specifically designated by the Board.
- (p) No Townhome Owner shall overload the electrical wiring in his Townhome or operate any machines, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Board, and unreasonable disturbance to others.

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(q) The Association reserves the right to enter upon any Townhome to correct or eliminate nuisances or violations of any or all of the foregoing. The cost of the same shall be assessed by the Association against the individual Townhome Owner causing the nuisance or violation, and such assessment shall be due and payable in the calendar month assessed. In the event payment of such assessment is not made when due, such assessment shall become a lien on the property, the personal obligation of the Townhome Owner, and subject to all of the remedies contained in this Declaration.

20. REMEDIES.

- in the event of any default by any Townhome Owner under the provisions of this Decigration. the Bylaws, or the rules and regulations of the Board or Association, the Association and its successors or assigns, or the Board or its agents, shall have the right to lovy a fine against the defaulting Townhome Owner in an amount easonably determined by the Board, after notice and an opportunity to be hourd, and in addition shall have all of the rights and remedies which may be provided for in this Declaration, the Bylaws, the Illinois Forcible Entry and Ontainer Act, or the aforesaid rules and regulations, or which may be available at law or in equity, and may procedute any action or other proceeding against such defaulting Townhome Owner and/or others (I) for enforcement of foreclosure of any lien and the appointment of a receiver for the Townhome. without notice and without regard to the value of such Townhome or ownership interest or the solvency of such Townhome Owner, or (ii) for damages, injunction or specific performance, or for judgment for payment of money and collection thereof, or for the right to take possession of and soil the Townhome, at a judicial sain, or (III) for any combination of the above remedies, or (iv) for any other relief now or hereafter permitted. All expenses of the Association in connection with any actions or proceedings, including court costs and attornoy's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate permitted under the laws of the State of Illinois, or eighteen (18%) percent per annum, whichever is less, until paid, shall be charged to and paseased against such defaulting Townhome Owner, and shall be added to and deemed part of his share of the Common Expenses, and the Association shall have a ilen for all of the same, as well as for nonpayment of his anare of the Common Expenses, upon the Townhome of such defaulting Townhome Owner and upon all of his additions and improvements thereto, and upon all of his personal property located in his Townhome or elsewhere or the Development; provided, however, that such lien shall be subordinate to the lien of a prior recorded morturge or mortgages on the Townhome of such Townhome Owner, except for the amount of the proportionale stiese of Common Exponses which becomes due and payable from and after the date on which the mortgage owner or holder either takes possession of the Townhome or accepts a conveyance of any interest therein or the date on which any mortgages causes a raceiver to be appointed for the Townhome.
- (b) In the event of any such default by any Townhome Owner, the Association, the Board and the Managing Agent, if so authorized by the Board, shall have the authority to consider such default and to do whatever may be necessary for such purpose, and all expenses in connection therswith shall be charged to and assessed against such defaulting Townhome Owner, with interest at the rate aforeast. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or consents, by the Association or the Board. The provisions of this Section 20 applicable to the priority of liens held by mortgagees shall not be amended, modified or rescinded without the express and prior written consent of all mortgagees of record.
- (c) The proceeds of any judicial sale of a Townhome pursuant to this Section 20 shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Townhome Owner in any final judgment. Any balance of such proceeds remaining after satisfaction of said costs, charges, fees and expenses and any unpaid assessments hereunder and items shall be paid to the Townhome Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Townhome and to immediate possession of the Townhome sold, and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the judgement shall so

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provide, that the purchaser shall take the Townhome sold subject to this Declaration, the Bylaws and the rules and regulations of the Board or Association.

21. AMENDMENTS.

- (a) In addition to amendments of this Declaration and Bylaws as heretofore provided, subject to the following paragraph, and unless otherwise provided herein, this Declaration may be changed, modified, or amended by an instrument in writing, setting forth such change, modification or amendment, signed by seventy-five (75%) percent of the Townhome Owners.
- (b) Neither this Declaration nor the Bylaws may be changed, modified, or amended so as to eliminate, impair, limit or abridge any rights therein of the Declarant or of the holder of any mortgage of record of any Town', or re, without the prior written consent of the Declarant or the holder of any such mortgage of record, as the case may be.
- (c) Any change in or modification or amendment of this Declaration, whether accomplished under the provisions of this Section 21 or another paragraph of this Declaration, shall be effective upon recording of the instrument which accomplishes such change, modification or amendment.

22. NOTICES:

(a) Notices provided for in this Declaration or the Bylaws shall be in writing. Such notices shall be addressed to the Association or Bourd as follows:

if the President of the Board is not a Townhome Owner, then:

Thrush Gap, Inc. 357 West Chicago Avenue, #200 Chicago, IL. 60610;

If the President of the Board is a Toy obome Owner, then:

c/o President of the Board of the Atrium home Townhome Association addressed to his Townhome;

or at such other address as hereinafter provided. Such notices shall be addressed to any Townhome Owner, as the case may be, at his Townhome or at such other address as hereinafter provided by such Townhome Owner in writing. Such notices shall be addressed to any mortgages of a Townhome, as the case may be, at the address provided to the Association by such mortgages for that purpose, or at such other address as hereinafter provided. The Association or Board may designate a different address or address as for notices to them, respectively, by giving written notice of such change of address to all Townhome Owners. Any Townhome Owner or mortgages of a Townhome may designate a different address for notices to them by giving written notice to the Association. Notices required to be delivered to any devises or recipient of a Townhome from, or personal representative of, a deceased Townhome Owner shall be addressed to such party at the address appearing for said party in the records of the court where the satate of such deceased Townhome Owner is being administered. Notices addressed as above provided shall be deemed delivered when sent and shall either be mailed by United States registered or certified mail, or delivered in person, with written acknowledgement of the receipt thereof.

(b) Upon written request to the Board, the holder of any recorded mortgage encumbering any Townhome shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners of the Townhome which is subject to such mortgage.

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- 23. RIGHTS RESERVED TO DECLARANT DURING SALE OF TOWNHOMES. During the period of sale by the Declarant of any Townhome on the Property, the Declarant and the Declarant's agents, employees, contractors and subcontractors, and their respective agent, employees, successors and assigns, shall be entitled to access, ingress to and egross from the Development as may be reasonably required for purposes of such sale. While the Declarant owns any Townhome and until every Townhome in the Development is sold and occupied by the purchasers thereof, the Declarant, and the Declarant's agents and employees, and their respective agents, employees, successors and assigns, may use and show one or more of such unsold or unoccupied Townhomes as a model Townhome or Townhomes and may use one or more of such unsold or unoccupied Townhomes as a sales office or sales offices, and may maintain customary signs, banners and lighting in connection therewith.
- 24. SEVERABILITY. Declarant intends and believes that each provision in this Declaration and the Bylaws is in accordance with all applicable local, state and federal faws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Declaration or the Bylaws is found by a court of law to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision, or problem, and if such court should declare such portion, provision or provisions of this Declaration or the Bylaws. To be illegal, invalid, unlawful, void, or unenforceable as written, then it is Declarant's intent that such portion, provision or provisions shall be given force to the fullest extent that they are legal, valid and enforceable; that the romainder of this Declaration and the Bylaws shall be construed as if such illegal, invalid, unlawful, void or unexporceable portion, provisions or provisions were not contained therein; and that the rights, obligations and interests exising under the remainder of this Declaration and the Bylaws shall continue in full force and effect.
- 25. <u>PERPETUITIES AND RESTRAINTS ON ALIENATION</u>. If any of the options, privileges, covenants, or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one years after the death of the survivor of the descendants of William J. Clinton, the President of the United States on the date hereof, and James Edgar, the Governor of Illinois on the date hereof, will o are living on the date hereof.
- 26. RIGHTS AND OBLIGATIONS. Each grantice of the Declarant, by the acceptance of a deed of conveyance, and each purchaser under any contract for such deed of conveyance, accepts said deed or contract subject to all restrictions, conditions, covenants, reservations, easements, liens and charges, and the jurisdiction, rights, and powers created or reserved by this Declaration. All covenants, conditions, restrictions, easements, rights, benefits and privileges of every character hereby granticid, created, reserved or declared and all impositions and obligations imposed hereby shall be deemed and taken to be appurtenant to and covenants running with the Townhome, and shall bind any person having at any time any interest or estate in the Townhome, and shall inure to the benefit of and bind any grantee or purchaser in the manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.
- 27. <u>SUCCESSORS AND ASSIGNS OF DECLARANT</u>. Every right, power or carciment granted to or reserved by the Declarant in this Declaration, the Bylaws or in the rules and regulations of the Board or Association, shall inure to the benefit of and may be exercised by the Declarant's successors and exsigns to whom the Declarant expressly assigns the rights of the Declarant hereunder.
- 28. LAND TRUSTEE AS TOWNHOME OWNER. In the event title to any Townhome is conveyed to a land trust holding title under the terms of which all powers of management, operation and control of the Townhome remains vested in the trust beneficiaries, then the beneficiaries thereunder shall be considered Townhome Owners for all purposes hereunder and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Townhome. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of

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any such tien or obligation shall continue to be a charge or lien upon the Townhome and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Townhome. By directing said trustee to take title to such Townhome said beneficiaries agree to be bound by the provisions of this Section 28.

IN WITNESS WHEREOF, the undersigned has executed this Declaration as of this _______day of

By: Thrush Gap, Inc.

George H. Thrush, President

The Clark's Office

Attest:

Richard H. Lillie, Jr., Soure'sry

Prepared by and to be mailed to:

Richard H. Lille, Jr.

Thrush Gap, Inc.

357 West Chicago Avenue, #20

Chicago, IL 60610

ARTHUR PORTON OF THE PROPERTY OF THE PROPERTY

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CONSENT OF MORTGAGEE

BANK ONE CHICAGO, N.A., as mortgage under a mortgage dated May 15, 1995 and recorded on June 7, 1995 as document number 95-370948 hereby consents to the execution and recording of the within Declaration of Covenants, Conditions, Essements, and Restrictions for the Atrium Homes Townhomes and agrees that said mortgage is subject to the provisions of said declaration and the rules of Townhome Association as defined in subsection (c) of Section 9-102 of the Code of Civil Procedure of the State of Illinois.

This consent is executed pursuant to and in the exercise of the power and authority granted to and vested in Declarant by the terms of said mortgage delivered to said mortgage in pursuance of the mortgage above mentioned. This consent is made subject to the lien of every trust deed or mortgage (if any there be) of record filed in the Registrar's or Recorder's Office in said county given to secure the payment of money, and remaining unrecessed at the date of the delivery hereof.

To the extence any inconsistency between the terms of the mortgage and loan documents herein described, and the terms of this Declaration of Covenants, Conditions, Essements, and Restrictions for the Atrium Homes Townhomes, we terms, provisions and conditions of the mortgage and related documents shall prevail.

IN WITNESS WHEREOF, seld carry of the first part has caused its corporate soul to be heroto affixed, and has caused its name to be signed to those presents by the Vice President and attested by its Assistant Vice President, the date and year first above written.

PANK ONE CHICAGO, N.A.

Vice Orapida

-lost's Ossica

Attest:

Assistant Vice President

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STATE OF ILLINOIS)	•	
COUNTY OF COOK) SS)		
N.A., mortgagee, personal foregoing instrument as such this day in person and acknowluntary act, and as the free the said Assistant Vice Presseal of said Bank, did affix the	above named vice Presidity known to me to be the children and Assistant and Assistant and Assistant and voluntary act of said identification and the said corporate seal of said luntary act of said Bank for the children and the children and the children act of said Bank for the	public in and for said County, ent and Assistant Vice Preside same persons whose naristant Vice President, respectand delivered the said instruit Bank, for the uses and purpere acknowledge that he, as deank to said instrument as the uses and purposes the of	dent of Bank One Chicagones are aubscribed to the lively, appeared before mement as their own free and coses therein set forth; and custodian of the corporate his own free and voluntary
	%	Motor of the	SM.
My commission expires:	2/18/4	Notary Public	and the firm of the second
	No.	Public, States, "Unola Company Expires 24578	
		TO CO	
		Clan	T'S OFFICE
			Co

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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

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ATRIUM HOMES SUBDIVISION DEARBORN PARK TOWNHOMES BEING A RESUBDIVISION OF BLOCK 8 (EXCEPT THE SOUTH 216.0 FEET THEREOF), IN DEARBORN PARK UNIT NO. 2 BEING A RESUBDIVISION OF SUNDRY LOTS AND VACATED STREETS AND ALLEYS IN PART OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Property of Cook County Clark's Office PIN: 17-21-211-088

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NFP-102.10 (Rev. Jan. 1995)

STATE OF THE STATE

ARTICLES OF INCORPORATION

(Do Not Write in This Space)

\$50

Dalo 8-22-95

SUBMIT IN DUPLICATE

Payment must be made by Certified Check, Cashier's Check, Illinois Attorney's Check, Illinois C.P.A.'s Check or Money Order, payable to "Secretary of State."

Filing Fee
Approved 2

DO NOT SEND CASH!

io: Gec	JAGE H. HYA	N, Secretary	of State			
Pursuant to hereby ado	the provisions of the followin	ol "The Gon g Articlos of	eral Not For Profit Corp Incorporation,	oralion Act of 190	86," tho unders	ignad incorporator(s)
Articie 1.	the name of	of the corpora	ution is: Atrium ile	omes Townhome	Associatio	20
Article 2:	The name a	and address	of the initial registered	agont and regist	tored office are	
Rea	istered Age a	Richard	H. Lillio, Jr.			
, , - S	1	irsi Namo	Middle I	Varno	Last Nam	0
Rog	Istered Office	352 West	: Chicago Avenue.	. #200		
•		Number	Stro		(Do Not (Jso P.O. Dox)
		Chicago	<u> </u>	60610	•	Cook
		City		Zip Codo		County
Article 3:	The lirst Bo boing as lo	ard of Directions:	ois shall be <u>3</u> (i)\ot loss than		ir names and r	
·- 					Addross	
Director'	s Namos	Numbor	stroot		City	Stato
Richard	u. Lillie,	Jr. 13	30 North Dasals	1, 1104	Chicago	TI.
Macey B.	Smith	50	5 North Lake Sho	ra iniva, #	1916 Chica	igo II.
Wondy L.	Taylor	1.5	O Wost St. Charl	as kond, 1 7	24 Lombe	rd IL

Article 4. The purposes for which the corporation is organized are:

To administer and operate property owned by a homeowners' association.

is this corpora	illon a Condon	ninium Asso No	cialion as established under the Condominium Property Act? (Check one)
is this corpor Revenue Coo	ation a Coope to of 1954?	ralivo Hou	sing Corporation as defined in Section 216 of the Internal No (Check one)
is this a Hom	oowner's Assi	ciation whi	ch administers a common-interest community as defined in

⊠Yos

Article 5. Other provisions (please use separate page):

subsection (c) of Section 9-102 of the code of Civil Procedure?

Article 6.

,我们是一个人,我们们是一个人,也是一个人,也是一个人,也是一个人,我们也是一个人,也是一个人,我们也是一个人,也是一个人,我们也是一个人,我们们的一个人,我们

NAMES & ADDRESSES OF INCORPORATORS

	POST OFFICE ADDRESS 1. 1330 North Lasalle, #104 Street Chicago, IL 60610 City/Town State Zip 2. 505 North Lake Shore Drive, #1916 Street Chicago, II, 60611 City/Town State Zip 3. 150 West St. Charles Rd., #724 Street Lombard, IL 60148 City/Town State Zip 4. Street City/Town State Zip 5. Street City/Town State Zip City/Town State Zip Carbon copy, xerex or rubber stamp signatures may only
 If a corporation acts as incorporator, the name of the coand the execution shall be by its President or Vice-Presor an Assistant Secretary. The registered agent cannot be the corporation itself. The registered agent may be an individual, resident in the 	sidence and verilied by him, and allosted by its Secretary
 to act as a registered agent. The registered office may be, but need not be, the san A corporation which is to function as a club, as defined in insert in its purpose clause a statement that it will co relating to alcoholic liquors. FOR INSERTS – USE WHITE PAPER – SIZE 8 1/2 x 11 	n Section 1-3.24 of the "Liquor Control Act" of 1934, must imply with the State and local lavs and ordinances
File No. FORM NFP-102.10 ARTICLES OF INCORPORATION Under the GENERAL NOT FOR PROFIT CORPORATION ACT of	GEORGE H. RYAN SECRETARY OF STATE DEPARTMENT OF BUSINESS SERVICES CORPORATION DIVISION SPRINGFIELD, ILLINOIS 62756 TELEPHONE (217) 782-9522 782-9523 (These Articles Must Be Executed and Filed in Duplicate)

BYLAWS FOR ATRIUM HOMES TOWNHOME ASSOCIATION

- 1. <u>Association</u>. The Association has been or will be formed as a not-for-profit Illinois corporation under the General Not-For-Profit Corporation Act of the State of Illinois having the name "ATRIUM HOMES TOWNHOME ASSOCIATION", and shall, to the extent hereafter provided and subject to the limitations hereafter contained, be the governing body of the Development.
- Association and such membership shall automatically terminate when he ceases to be a Townhome Owner. Membership is appurtenant to and shall not be separated from ownership of a Townhome. Each Townhome Owner by acceptance of a deed or other conveyance of a Townhome inersby becomes a Member, whether or not this declaration of such membership is made a part of, incorporated by reference or expressed in said deed or conveyance. There shall be one person with respect to every Townhome who shall be entitled to vote at any meeting of the Members. Such person shall be known as a "Voting Member". Such Voting Member may be the Townhome Owner or one of the group composed of all the Owners of a Townhome or may be some person designated by such Townhome Owner to act as proxy on his or her behalf and who need not be a Townhome Owner. Such designation shall be made in writing and shall be revocable at any time by actual notice to the members of the Board by the Townhome Owner.
 - 3. Voting Rights. The Association shall have two classes of Voting Members:

Class A: Class A Members shall be all Townhome Owners with the exception of the Declarant and each Class A Member shall be entitled to one vote for each Townhome owned by him;

Class B: The Class B Member shall be the Declarant who shall at any given time be entitled to three (3) times the number of votes in which the Class A Members shall be entitled at such time. The Declarant shall cease to be a Class B Member and shall become a Class A Member upon the first to occur of any of the following dates:

- a) The date upon which the Declarant shall have sold and conveyed title to eleven (11) Townhomes, or
 - b) On December 1, 1997, or

c) The date upon which the Declarant elects to convert its Class B Membership to Class A Membership by written notice of such election to the Association.

4. Qualification of Board. For a period commencing on the date this Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of the voting members, the Declarant shall have the right to designate and select the persons who shall serve as members of each Board or exercise the powers of the Board as provided herein. Except for directors so designated by the Declarant, each member of the Board shall be one of the Townhome Owners and shall reside in a Townhome; provided, however, that in the event a Townhome Owner is a corporation, partnership, trust or other legal entity, its agent shall be eligible to serve as a member of the Board, so long as any such agents (other than a person designated by Declarant) resides in a Townhome.

5. Election of Directors.

The initial Board of Directors designated by the Declarant shall consist of three (3) directors. Such initial Board shall serve for a period commencing on the date the Association is formed by the filing of the Articles of Incorporation therefore in the office of the Secretary of State of Illinois and ending upon the qualification of the Directors elected at the initial meeting of the Voting Members held as provided in Section 6 hereof. At the initial meeting held as provided in Section 6 hereof, the Voting Members shall elect three (3) Board members who shall se ve until the first annual meeting. In all elections for members of the Board, each Voting Mamber shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deened to be elected. Each Voting Member shall be entitled to cast the number of votes specified in Section 3 hereof. Members of the Board elected at the initial meeting of the Voting Manbers shall serve until the first annual meeting. At the first annual meeting, three (3) Board members shall be elected. The two (2) 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 one (1) person receiving the next highest number of votes shall be elected to the Board for a farm of one (1) year. The election and term of office for candidates who receive the same number of votes shall be determined by lot. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting, and thereafter, successors shall be elected for a term of two (2) years each. The Voting 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 Burit members at any annual or special meeting, provided that such number shall not be less than three (3) and that the terms of at least one-third (1/3) of the persons on the Board shall expire annually, Vacancies on the Board, including vacancies due to any increase in the number of persons on the Board shall be filled by the majority vote of all remaining Board members. The Board shall act by majority vote of those present at its meeting when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. A majority of the total number of members on the Board shall constitute a quorum. Directors shall receive no compensation for their services as directors unless expressly provided for in resolutions adopted by the Townhome Owners.

(b) The Board shall elect from among its members a President who shall preside over both its meetings and those of the Voting Members and who shall be the chief executive officer of the Board and Association, a Secretary who shall keep mirrutes of all meetings, a Treasurer and such other officers as the Board shall see fit. Except for Directors designated by the Declarant any Board member may be removed from office by the affirmative vote of Voting Members holding two-thirds (2/3) of the total votes.

6. Meetings of Voting Members.

- times as shall be designated in any notice of a meeting by the Board. The presence in person or by proxy at any meeting of the Voting Members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes present at such meeting. In the exant that a quorum is not present at any meeting of the Voting Members, another meeting may be called by notice from the Board and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting; provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.
- ten (10) days written notice from the Declarant. Such notice must be given no later than the earlier of (i) thirty (30) days after the sale and conveyance of title to seventy-five (75%) percent of the Townhomes which may be constructed by Declarant on the Property, and (ii) December 1, 1997 but such notice may, at the discretion of the Declarant, be given earlier. Thereafter, there shall be an annual meeting of the Voting Members on or about the 1st of November following such initial meeting and at the seme time thereafter in each succeeding year, or at such other reasonable date and at such time, and at such place, as may be designated by written notice from the Board.
- (c) Special meetings of the Voting Members may be called at any time for any reasonable purpose on not less than ten (10) days notice from a majority of the Board or the Voting Members holding one-fourth (1/4) of the total votes.
- (d) Notices of meetings may be delivered personally or by mair to the Voting Members, addressed to each such Voting Member at the address given by him to the Board, or if no address shall be given, addressed to such Voting Member to the address of his Townhome.
- 7. General Powers and Duties of the Board. The Board shall have the following powers and duties.

- (a) To adopt rules and regulations governing the maintenance and administration of the Development for the health, comfort, safety and general welfare of the Townhome Owners and occupants thereof.
- (b) To provide for maintenance, repair and replacement of the Common Areas pursuant to the Declaration and of the exterior of the Townhomes pursuant to the Declaration.
- (c) To enter into contracts on behalf of, and to purchase or procure in the name of, the Association any materials, supplies, insurance (including directors and officers liebility insurance), equipment, fixtures, labor, services (including the services of accountants and attorneys) required by the terms of these Bylaws or by the Declaration of Townhomes, or which in its reasonable opinion shall be necessary or proper for the operation or protection of the Association and its members and for the enforcement of the provisions of these Bylaws.
 - (d) To prepare, adopt, and distribute an annual budget for the property.
 - (e) To levy assessments.
 - (f) To collect assessments.
- (g) To enter upon, and to have its contractors, subcontractors and agents enter upon, any Townhome as may be required to exercise all of the rights and obligations granted to or imposed upon it pursuant to these Bylavis or to correct any condition that in the Board's judgement is a nuisance or is damaging to any Townhome Owner or occupant.
- (h) To enter into contracts, maintain one or more bank accounts (granting authority as the Board shall desire to one or more persons to draw upon such accounts), and generally, to have all the powers necessary and incidental to the operation and management of the Association.
- (i) To adjust the amount, collect and use any insurance proceeds to repair damaged or replace lost property; and if proceeds are insufficient to repeli damaged or replace lost property, to assess the appropriate Townhome Owners in proportionate amounts to cover the deficiency.
- (j) To take such action as may be required to enforce the provisions of the Declaration and the rules and regulations made hereunder.
- (k) To enter into a contract for the management of the Development with a professional manager or management company on such reasonable terms as the Board shall determine.

- (I) To exercise any and all powers, rights and authorities provided in the Illinois General Not-For-Profit Corporation act, as amended from time to time.
- Liability of the Board of Directors. Neither the members of the Board nor the officers of the Association shall be liable to the Townhome Owners for any mistake of judgement or for any other acts of omissions of any nature whatsoever as such Board members and officers except for any acts or omissions found by a court to constitute gross negligence or fraud. The Townhome Owners shall Indemnify and hold harmless each of the members of the Board and each of the officers of the Association against all contractual and other liabilities to others arising out of contracts made by or other acts of the Board and officers of the Association on behalf of the Townhome Owners or arising out of their status as Board members or officers unless any such contract or act shall have been made fraudulently or with gross negligence or contrarily to the provisions of these Bylaws. It is interciad that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any member of the Board or officers of the Association may be involved by virtue of such persons being or having been such member or officers; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such member or officer, or (b) any matter settled or complemised unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for gross negligence or fraud in the performance of his duties as such member or officer
- 9. <u>Books and Records</u>. The books and records of the Association may be examined by any Townhome Owner or any holder of a first manage on a Townhome at the office where such books and records are maintained, during rermal business hours for any proper purpose upon prior, written notice to the Board. Upon reasonable notice and payment of a reasonable fee, any Townhome Owner shall be furnished with a statement of his account setting forth the amount of any unpaid assessments or other charges due and owning from such Townhome Owner.

10. Assessments.

TO THE REPORT OF

(a) Personal Obligation: Each Townhome Owner (except for the Declarant) by acceptance of a deed for a Townhome, whether or not it shall be so expressed in any such deed, or other conveyance for such Townhome, hereby covenants and agrees to pay to the Association such assessments and fees as are levied pursuant to the provisions of the Declaration and these Bylaws of the Association. Such assessments and fees, whether special or otherwise, not paid when due, together with interest thereon at the rate of eighteen (18%) percent per annum, late fees of \$25.00 per

month (or such other amount as the Board shall from time to time determine) and costs of collection, including attorneys' fees incurred in respect thereto whether or not suit shall be instituted, shall be a charge and a continuing lien upon the Townhome against which such assessment is made. Furthermore, each such assessment, together with such interest, costs, late fees and other fees, shall be the personal obligation of the person who was the Owner of such Townhome on the date upon which such assessment became due. Personal liability for such assessments shall not pass to a bona fide purchaser of a Townhome unless expressly assumed by such purchaser. The Declarant, to the extent that it shall be a Townhome Owner of a Townhome which is leased to any person, shall, as to each such leased Townhome, be subject to the provisions of this Article from and after the first day of the month in which the Declarant first receives rent for such Townhome. Except as provided in the preceding sentence, the Declarant shall not be liable for the payment of assessments hereunder and portions of the Development owned by the Declarant shall not be subject to liens hereunder; provided, however, that the Declarant shall pay the actual costs incurred by the Association attributable to the maintenance and repair of those portions of the Development owned by the Declarant.

- (b) Purpose of Assessments: The assessments and fees levied by the Association shall be used for the purpose of promoting the health, safety and welfare of the Townhome Owners and, in panicular, for (i) common expenses; (ii) maintenance and repair of Townhome to the extent a Townhome Owner has failed to do so (in which case said assessments or fees shall be levied entirely against the Townhome upon which such repairs or maintenance were necessitated by the Owner's failure to do so); (iii) services that the Association may elect to provide; all including the cost of labor, equipment, services (including utilities and security services, accountants, attorneys and other professional fees, licenses and permits) and the materials in connection therewith; (iv) the establishment of such reasonable reserves, if any, as the Board deems appropriate, (v) the performance of the duties of the Board as set forth in these Eviaws and the Declaration of the Association, including the enforcement of the provisions thereof; and (vi) in general, carrying out the purposes of the Association as stated herein and in the Articles of incorporation of the Association.
- shall estimate the total amount (the "Aggregate Annual Assessment") necessary to provide the materials and services which will be required for the ensuing calendar year in the operation of the Association (which estimate shall include a reasonable amount considered by the Board to be desirable for contingencies) and shall notify each Townhome Owner in writing as to the amount of the Aggregate Annual Assessment with a reasonable itemization thereof and of the amount thereof allocable to such Townhome Owner. Each Townhome Owner (with the exception of the Declarant except as otherwise hereunder provided) shall be allocated that portion of the Aggregate Annual Assessment as shall be determined by dividing the Aggregate Annual Assessment by the total number of Townhomes in the Development. On or before January 1 of the ensuing year, and on the first day of each and every month of said year, each Townhome Owner, jointly and

severally, shall be personally liable for and obligated to pay one twelfth (1/12) of the portion of the Aggregate Annual Assessment allocated to such Townhome Owner. On or before April 1 of each calendar year following the initial meeting of Voting Members, the Board shall furnish each Townhome Owner with an Itemized accounting of the expenses for the preceding calendar year and the amounts collected from the Townhome Owners. Any surplus may be applied to expenses or reserves for the subsequent calendar year as the Board shall determine.

- (d) Special Assessments: In addition to the annual assessments authorized pursuant to paragraph 10(c), the Board may at any time or from time to time levy special assessments for repairs and replacement of existing facilities and improvements not provided for in the Aggregate Annual Assessment. Additionally, the Board may levy special assessments for additional improvements or additional facilities in amounts not exceeding \$5000 total in aggregate in any calendar year. Expenditures in excess of such limit for additional improvements or additional facilities shall be approved by a majority of the Voting Members cast at an annual or special meeting of the Townhome Owners. Special assessments shall be allocated to each Townhome Owner in the same manner as such Owner's respective share of the Aggregate Annual Assessment. The Declarant shall be liable for the payment of special assessments on only those Townhomes for which the Declarant is obligated to pay a regular assessment.
- Nonpayment of Assessments: Any assessment which is not paid when due shall be deemed delinquent. If an assessment is not paid within ten (10) days after the delinquency date, such assessment small bear interest at the rate provided in Section 10(a) from the delinquency date and the Board may impose a late fee as provided in Section 10(a). In the event of the failure of any Townhome Owner to pay any assessment, maintenance charge, interest charge, late fee or other fees or costs of collection, when due, the amount thereof shall constitute a lien on the Townhome of such Townhome Owner. In the event such Townhome Owner fails to pay such assessment within thirty (30) days after the notice from the Board of such dafault, the Board may accelerate the maturity of the remainder of the installments of assessments due for such Townhome Owner for the balance of the calendar year or the following six month period and may enforce collection thereof. The Board shall, in the name of and on behalf of the Association, have all rights and remedies to enforce such collections as shall from time to time be permitted by law, including bringing an action at law or in equity against such Townhome Owner and foreclosing the aforesaid lien. All expenses of the Association in connection with such action or proceedings, whether or not suit shall be instituted. including attorneys' fees and court costs and other fees and expenses shall be charged to and assessed against such Townhome Owner (and shall constitute a personal liability of such Townhome Owner) and shall be added to and deemed a part of his assessments and the Association shall have a lien for all of the same upon the Townhome of such Townhome Owner.

- (f) Subordination of Lien to Mortgage: Lien of the assessments provided for herein shall be subordinate to the lien of any prior, recorded mortgage or mortgages or trust deed on a Townhome made to any bank, savings and loan association or other institutional lender except for the amount of any assessments which becomes due and payable from and after the date such lender obtains title to such Townhome pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such transfer of title shall not relieve such Townhome from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.
- Exemption from Assessment on Lots Owned by Declarant: In order that those Townhomes conveyed or leased by Declarant or its Agents may, with reasonable promptness, receive the benefits of common area and other maintenance by the Association for the enjoyment of the Townhome Owners, and also be subject to assessments therefore, and so as not to discourage the Declarant from voting for such assessments at such times as the Declarant may still own a substantial number of unoccupied Townhomes, and inasmuch as assessments levied against such Townhomes impose a burden on the Declarent without the Declarant desiring, or receiving the benefits of maintenance upon such fownhome, as may from time to time be provided by the Association, it is therefore expressly provided that no Townhome owned by the Declarant shall be subject to the assessments charges and liens provided for herein until the date upon which such Townhome shall be conveyed to a bona fide purchaser or leased to any person who shall have commenced to pay cont therefore or sold pursuant to installment contract or articles of agreement for deed; provided however, that each year, until the First Meeting of the Board of Directors pursuant to the Bylaws, the Declarant shall contribute to the Association the amount, if any, by which the operating expenses of the Association incurred or paid since the date of incorporation (exclusive of any amounts allocated to reserves) exceed the gross revenues of the Association since the date of incorporation.

Upon the conveyance or leasing by Declarant of a Townhome which was theretofore entitled to the foregoing exemption from assessments, such Townhome and the Townhome Owner thereof shall immediately become subject to the payment of all assessments and other charges and the liens provided for herein.

(h) Initial Assessments: The Declarant shall collect from each purchaser of a Townhome, at the time of closing of the purchase thereof, an amount equal to two times the initial estimated monthly assessment allocable to such Townhome (\$52.00 \times 2 = \$104.00). The amounts so collected shall be utilized to fund a working capital for the Association. The Initial Assessment stated above is a non-refundable contribution to the Association and does not constitute payment of any monthly assessment allocated to the Townhome Owner.