

**DECLARATION OF CONDOMINIUM OWNERSHIP AND OF
EASEMENTS, RESTRICTIONS, COVENANTS AND BY-LAWS FOR
THE 1120 CLUB CONDOMINIUM**

Prepared by and mail to:
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Property:
1116 Lake Street
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**DECLARATION OF CONDOMINIUM OWNERSHIP AND OF
EASEMENTS, RESTRICTIONS, COVENANTS AND BY-LAWS FOR
THE 1120 CLUB CONDOMINIUM**

THIS DECLARATION is made and entered as of the ____ day of _____, 20__ by 1120 Club, L.L.C., an Illinois limited liability company (hereinafter referred to as “Declarant”).

W I T N E S S E T H:

WHEREAS, Declarant holds legal title to the parcel of real estate situated in the Village of Oak Park, Cook County, Illinois (the "Parcel") and legally described on Exhibit A attached hereto and by this reference made a part hereof; and

WHEREAS, Declarant desires and intends by this Declaration to submit the Property (as hereinafter defined), to the provisions of the Illinois Condominium Property Act, as amended from time to time (the “Act”), and is further desirous of establishing, for its own benefit and that of all future owners or occupants of the Property, and each part thereof certain easements and rights in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the use and maintenance thereof; and

WHEREAS, the name of the Condominium shall be the “THE 1120 CLUB CONDOMINIUM”; and

WHEREAS, the By-Laws of the Association, as required by Section 18 of the Act, are contained in Article V, VI and VII of this Declaration; and

WHEREAS, Declarant desires and intends that the several owners, mortgagees, occupants, and other persons acquiring any interest in the Property shall at all times enjoy the benefits of, and shall at all times hold the interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of ownership and to facilitate the proper administration of such Property and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property.

NOW THEREFORE, Declarant, as the legal titleholder of the Parcel, and for the purposes above set forth, DECLARES AS FOLLOWS:

**ARTICLE 1
DEFINITIONS**

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

1.01 Association. THE 1120 CLUB CONDOMINIUM ASSOCIATION, an Illinois not-for-profit corporation.

1.02 Board. The parties determined pursuant to Article V hereof, who are vested with the authority and responsibility of administering the Property.

1.03 Building. The building located on the Parcel, forming a part of the Property and containing the Units, as shown by the surveys depicting the respective floors of the Building, and all structures attached or unattached, containing one or more Units.

1.04 By-Laws. The provisions for the administration of the Property including, but not limited to, assessment, maintenance, use, occupancy, sale, leasing and alienation, all as hereinafter set forth, or as the

same may be from time to time duly amended. Articles V, VI and VII hereof shall constitute the By-Laws of the Association.

1.05 Common Elements. All portions of the Property except the Units as more specifically described in Section 3.01 hereof.

1.06 Common Expenses. The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board, including, without limitation, the expenses of maintenance, repair, administration and operation of the Common Elements.

1.07 Declarant. 1120 CLUB, L.L.C., an Illinois limited liability company.

1.08 Declaration. This instrument by which the Property is submitted to the provisions of the Act, including such amendments, if any, to this instrument as may from time to time be adopted pursuant to the terms hereof.

1.09 Developer. 1120 CLUB, L.L.C., an Illinois limited liability company, its successors and assigns, or such other persons or entities, as Declarant may from time to time designate.

1.10 Limited Common Elements. A portion of the Common Elements so designated in this Declaration or on the Plat, as hereinafter defined, as being reserved for the use of a certain Unit or Units to the exclusion of other Units. The Limited Common Elements shall include, but shall not be limited to, the following: (a) the interior surface of the perimeter walls, ceilings and floors which define the boundary planes of a Unit; (b) perimeter doors, windows and skylights which serve exclusively a single Unit; (c) any system or component part thereof which serves a Unit exclusively, to the extent that such system or component part is located outside the boundaries of a Unit; and (d) terraces, porches or balconies which are contiguous to a Unit, if any. Any portion of the Common Elements which by the terms of this Declaration or by its nature or location is clearly intended to serve exclusively a certain Unit or Units (but less than all of the Units) or the owner or owners thereof shall be deemed a Limited Common Element.

1.11 Maintenance Fund. All monies collected or received by the Board pursuant to the provisions of the Declaration.

1.12 Majority of the Unit Owners. Those Unit Owners, without regard to their number, who own more than fifty percent (50%) in the aggregate of the entire undivided ownership interest in the Common Elements. Any specified percentage of the Unit Owners shall mean those Unit Owners who, in the aggregate, own such specified percentage of the entire undivided ownership interest in the Common Elements.

1.13 Occupant. Person or persons, other than a Unit Owner, in possession of a Unit.

1.14 Parcel. The entire tract of real estate above described, which is submitted to the provisions of the Act.

1.15 Parking Garage. The parking garage located in a portion of the basement of the Building.

1.16 Parking Unit. A Unit in the Condominium intended to be used for parking a motorized vehicle or vehicles. Unless specifically provided otherwise herein, Declarant shall be deemed a Unit Owner of a Parking Unit so long as it is the legal titleholder of any Parking Unit.

1.17 Person. A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.18 Plat. The plats of survey of the Property and all of the Units in the Property submitted to the provisions of the Act, said Plat being attached hereto as Exhibit B and made a part hereof and recorded with the recording of this Declaration.

1.19 Property. All the land, property and space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon, the Building, and all easements, rights and appurtenances belonging thereto, and all fixture and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, as hereinafter defined, which is submitted to the provisions of the Act. The Property is legally described on Exhibit A, attached hereto and by this reference made a part hereof.

1.20 Reserves. Those sums paid by Unit Owners which are separately maintained by the Board for purposes specified by the Board, the Declaration or the Act.

1.21 Residential Unit. A Unit located in the Building and used as a residence. Unless specifically provided otherwise herein, Declarant shall be deemed a Unit Owner of a Residential Unit so long as it is the legal titleholder of any Residential Unit.

1.22 Storage Space. A part of the Common Elements intended for storage by Unit Owners and Occupants.

1.23 Turnover Date. The date described in Section 5.04(b) hereof.

1.24 Unit. The portions of the Property within the Building more specifically described hereafter in Article II.

1.25 Unit Improvements. With respect to any Unit or Parking Unit, additions, alterations, improvements, betterments and decorations made to such Unit, any time after the completion date of such Parking Unit as originally constructed.

1.26 Unit Owner. The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit Ownership or a Parking Unit.

1.27 Unit Ownership. A part of the Property consisting of one Unit and its undivided interest in the Common Elements appurtenant thereto.

1.28 Voting Member. One person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners, excluding those members of the Board of Directors designated by the Developer or Declarant.

ARTICLE II UNITS

2.01 Description and Ownership.

(a) All Units, whether Residential Units or Parking Units, are delineated on the Plat and listed on Exhibit C. Each Unit shall have an easement over the Common Elements so that each Unit has access for ingress and egress to a public right of way.

(b) Each Unit consists of the space enclosed and bounded up by the horizontal and vertical planes set forth in the delineation thereof on Exhibit B including, without limitation, pipes, ducts, flues, chutes, conduits, wires, and other utility, heating, cooling or ventilation systems or equipment to the extent and only to the extent serving only such Unit; and (anything herein to the contrary notwithstanding) excluding all structural components of the Building, the term "structural

components” including structural columns, beams, floors or pipes, wires, conduits, ducts, flues, shafts, or public utility lines running through the Unit and forming a part of any system serving more than the Unit, or any components of communication or master antenna systems, if any, located in the Unit, whether or not any such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on Exhibit B. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit B, and every such description shall be deemed good and sufficient for all purposes.

(c) Except as provided by the Act or as provided elsewhere herein, no Unit Owner shall, other than Declarant, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on Exhibit B.

(d) To the extent such data is available to Declarant at the time this Declaration is filed, the Plat sets forth the measurements, elevations, locations and other data as required by the Act, with respect to (1) the Parcel and its exterior boundaries; (2) every Building and each floor thereof; and (3) each Unit in every Building and said Unit's horizontal and vertical dimensions. However, Declarant hereby reserves unto itself and the Developer, the right, from time to time, as further data becomes available, to amend the Plat so as to set forth the measurements, elevations, locations and other data required by the Act, with respect to the Building and the Units now or hereafter constructed on the Property.

In furtherance of the foregoing, a power coupled with an interest is hereby granted to Declarant, acting by or through its duly authorized officers, its successors, or its designee, and to the Developer, its successors and assigns and their agents, and each of them singly, as attorney-in-fact, to amend the Plat, as described above, without notice to any Unit Owners. Each deed, mortgage or other instrument with respect to a Unit, and the acceptance thereof, shall be deemed a grant of such power to each of said attorneys-in-fact, and acknowledgment of and consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to amend the Plat, as described above.

2.02 Certain Structures Not Constituting Part of a Unit. Except as a tenant in common with all other Unit Owners, no Unit Owner shall own any structural components of the Building, including structural columns or pipes, wires, conduits, ducts, flues, shafts, or public utility lines running through his Unit and forming a part of any system serving more than his Unit, or any components of communication systems, if any, located in his Unit, whether or not any such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit.

2.03 Real Estate Taxes. It is understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements as provided in the Act; provided, however, if Developer has turned over control of the Association to the Unit Owners and separate real estate tax bills have not been issued with respect to each Unit, the Association may elect, by action of the Board of Directors, to include the real estate taxes imposed on the Property in the Common Expenses assessed pursuant to this Declaration until separate real estate tax bills are so issued.

ARTICLE III COMMON ELEMENTS

3.01 Description. The Common Elements shall consist of all portions of the Property, except the Units, and including the Limited Common Elements, unless otherwise expressly specified herein. The Common Elements include, without limitation and if applicable, any of the following items located at the Property: the walls, roof, roof deck, hallways, stairways, entrances and exits, security system, mechanical equipment areas, trash rooms, master television antenna or satellite system (whether leased or owned), if any,

fire escapes, pipes, ducts, flues, shafts, electrical wiring and conduits (except pipes, ducts, flues, shafts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), central heating and ventilating systems servicing the Common Elements (but excluding those individual heating and ventilating systems or equipment situated entirely within a Unit or serving only such Unit), central hot water system, public utility lines, structural parts of the Building, and all other portions of the Property except the individual Units. Structural columns located within the boundaries of a Unit shall be part of the Common Elements. Any references to "Common Elements" appearing on the Plat (except references to Limited Common Elements) shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Elements in any way.

3.02 Ownership of Common Elements. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit C attached hereto. The percentages of ownership interests set forth in Exhibit C have been computed and determined in accordance with the Act, based upon the value of each respective Unit in relation to the value of the property as a whole, and shall remain constant and shall not be changed, except as specifically permitted under the Act or this Declaration without unanimous written consent of all Unit Owners and all mortgagees having bona fide liens of record against any of the Unit Ownerships. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall always be deemed conveyed or encumbered with any conveyance or encumbrance of that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition of them.

3.03 Limited Common Elements. The Limited Common Elements are such parts of the Common Elements serving exclusively a single Unit or adjoining Units as an inseparable appurtenance thereto, as designated as such in this Declaration, including in the Plat, or which by the nature or location thereof, or by the terms of this Declaration, are clearly intended to be reserved for or for the use of one or more Units to the exclusion of other Units. The Limited Common Elements appertaining to, or designated or reserved for or for the use of, or serving any Unit (alone or in conjunction with other Units) are hereinafter from time to time referred to as the Limited Common Elements of such Unit. The Limited Common Elements shall include, but shall not be limited to, the following: (a) the interior surface of the perimeter walls, ceilings and floors which define the boundary planes of a Unit; (b) perimeter doors, windows and skylights which serve exclusively a single Unit; (c) any system or component part thereof which serves a Unit exclusively, to the extent that such system or component part is located outside the boundaries of a Unit; (d) patios, porches or balconies which are contiguous to a Unit or designated, if any; and (e) parking areas which serve an individual Unit exclusively and are designated with or to a particular Unit number. Any portion of the Common Elements which by the terms of this Declaration or by its nature or location is clearly intended to serve exclusively a certain Unit or Units (but less than all of the Units) or the owner or owners thereof shall be deemed a Limited Common Element.

3.04 Use of Limited Common Elements. Each Unit Owner and Occupant shall have the right to (a) the exclusive use and possession of the Limited Common Elements serving exclusively the Unit of such Unit Owner, which right shall be appurtenant to and shall run with the title of such Unit, and shall not be separated from such Unit, and (b) the use and possession of the Limited Common Elements serving the Unit of such Unit Owner in common with one or more (but not all) other Units, which use and possession shall be to the exclusion of all other persons except the Unit Owner of any such Unit to which such Limited Common Elements shall respectively appertain. The use of Limited Common Elements may be transferred between Unit Owners at their expense in accordance with the Act or as expressly provided in this Declaration. Declarant hereby reserves to itself and the Association, and their respective successors and assigns, the right, without notice to, or the consent of, any Unit Owner or mortgagee of a Unit to record a supplement to this

Declaration allocating the percentage of ownership interests set forth on Exhibit C to the applicable Unit based upon the assignment by the Developer of the Exterior Storage Limited Common Elements to the applicable Unit based upon the assignment by the Developers of the Exterior Storage Limited Common Elements to the applicable Units pursuant to Section 3.05(f). A power coupled with an interest is hereby granted to Declarant and the Association, acting by and through their respective duly authorized officers, their respective successors, assigns, agent and designees, and each of them singly without the other's concurrence, at attorney-in-fact, to do or cause the foregoing to be done. The acceptance of each deed, mortgage, trust deed or other instrument with respect to a Unit shall be deemed a grant of such power to each of said attorneys-in-fact, an acknowledgment of a consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to record any and all such supplements.

ARTICLE IV GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

4.01 Submission of Property to the Act. Declarant, as owner in fee simple of the Property, expressly intends to, and by recording this Declaration, does hereby submit and subject the Property to the provisions of the Act and of this Declaration. Henceforth, the Property shall be known as THE 1120 CLUB CONDOMINIUM.

4.02 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to his Unit Ownership without including therein both his interest in the Unit and his corresponding percentage of ownership in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

4.03 Easements

(a) Encroachments. If (i) by reason of the construction, repair, settlement or shifting of the Building, any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Elements, or any other Unit; or (ii) by reason of the design or construction of any Unit, it shall be necessary or advantageous to a Unit Owner to use or occupy any portion of the Common Elements for any reasonable use appurtenant to said Unit, which will not unreasonably interfere with the use or enjoyment of the Common Elements by any other Unit Owner; or (iii) by reason of the design or construction of utility and ventilation system, any mains, pipes, or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit; then in any such case, valid easements for maintenance of such encroachment and for such use of the Common Elements are hereby established and shall exist for the benefit of such Unit, or the Common Elements, as the case may be, so long as all or any part of the Building shall remain standing; provided, however, that in no event shall a valid easement for any encroachment or use of the Common Elements be created in favor of any Unit Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Property by any other Unit Owner or has been created by the Unit Owner or his agent through intentional, willful or negligent conduct.

(b) Easements for Utilities and Entertainment. All suppliers of electricity, gas, telephone services or other utilities serving the Property and any person providing cable or satellite television or other similar entertainment to any Unit Owners or to the Property are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace, conduits, cables, pipes and wires and other equipment into, over, under, along and on any portion of the Common Elements for the purpose of providing the Property with utility and entertainment services, together with the reasonable right of ingress to and egress from the Property for said purpose; and Declarant, Board or

Association may hereafter grant other or additional easements for utility purposes and for other purposes including such easements as the Developer may from time to time request including, but not limited to, such easements as may be required to construct, keep and maintain improvement upon the Common Elements, for the benefit of the Property, over, under, along and on any portion of said Common Elements, and each Unit Owner hereby grants the Board or Association an irrevocable power of attorney to execute, acknowledge and record for and in the name of such Unit Owner, such instruments as may be necessary to effectuate the foregoing (provided that with respect to all easements granted hereby or pursuant hereto, no Unit Owner shall be deprived of, or be subjected to material interference with, the use of his Unit or any Limited Common Element serving his Unit, other than reasonably and temporarily). Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines, entertainment lines, components of the communications systems, if any, or structural components, which may run through the walls of a Unit and which constitute or will constitute Common Elements, whether or not such walls lie in whole or in part within the Unit boundaries. Furthermore, easements are hereby granted to the suppliers of water to the Units to maintain and repair the meter located in the common meter room, together with the reasonable right of ingress to and egress from the common meter room for said purpose.

The Board may hereafter grant other or additional easements for utility or entertainment purposes for the benefit of the Property over, under, along and on any portion of said Common Elements, and each Unit Owner and each mortgagee of a Unit hereby grants the Board an irrevocable power of attorney coupled with an interest to execute, acknowledge and record in the name of such Unit Owner, such instruments as may be necessary or appropriate to effectuate the foregoing.

Declarant hereby reserves to itself and the Association, and their respective successors and assigns, the right, without notice to, or the consent of, any Unit Owner or mortgagee of a Unit: (i) to record a supplement to the Plat showing the location of any or all of such utility or entertainment conduits, cables, pipes, electrical wiring, transformers and switching apparatus and other equipment "as built" and (ii) to record, from time to time, additional supplements, showing additions, modifications and deletions to any or all of such conduits, cables, pipes, electrical wiring, transformers and switching apparatus and other equipment. Once the location of the easement to any such utility or other entity is shown by any supplement or additional supplement to the Plat as aforesaid, the easement granted by this Section 4.03(b) to such utility or other entity shall be limited to the area or areas located within ten feet on either side of the equipment of such utility or other entity shown on such supplement or additional supplement. A power coupled with an interest is hereby granted to Declarant and the Association, acting by and through their respective duly authorized officers, their respective successors, assigns, agents and designees, and each of them singly without the other's concurrence, as attorney-in-fact to do or cause the foregoing to be done. The acceptance of each deed, mortgage, trust deed or other instrument with respect to a Unit shall be deemed a grant of such power to each of said attorneys-in-fact, an acknowledgment of a consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to record any and all such supplements.

(c) Blanket Easement in Favor of Developer and Other Parties and Other Easements. The right of the Unit Owners to use and possess the Common Elements as set forth in Section 4.04(a) hereof shall be subject to a blanket easement over the Common Elements in favor of Declarant and Developer, and their respective representatives, agents, associates, employees, contractors, subcontractors, tenants, successors and assigns for the purpose of (i) access and ingress to and egress from the Common Elements, (ii) construction, installation, repair, replacement and restoration of utilities, buildings, landscaping and any other improvements on the Parcel, and (iii) the installation and maintenance of signs advertising the Units on the Parcel and signs directing potential purchasers to the sales office and models erected in connection with such residences. The foregoing easements

shall continue until such time as neither Declarant nor Developer holds legal title to, or the beneficial interest in any trust holding legal title to, any Units, at which time such easements shall cease and be of no further force and effect without the necessity of any further action. The foregoing easements shall be deemed and taken to be covenants running with the land.

(d) Easement in Favor of Association. A blanket easement over the Property is hereby granted in favor of the Association for the purpose of exercising its rights and performing its duties under this Declaration. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Building, shall be entitled to reasonable access to, over and through the individual Units as may be required in connection with the operation, maintenance, repairs or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

(e) Access Easement. Each Unit Owner is hereby granted a perpetual non-exclusive easement for emergency access and egress on, over and across all portions of the roof of the Building including those portions which are Limited Common Elements, in the event of an imminent threat to personal safety. The easement hereinabove granted shall benefit the Unit Owners and other occupants, from time to time, of each Unit and their respective guests and invitees.

(f) Easements to Run with Land. All easements and rights described herein are easements appurtenant running with the land, and so long as the Property is subject to the provisions of this Declaration, shall remain in full force and effect, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Unit Owner, purchaser, mortgagee and other person having an interest in the Property, or any part or portion thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article, or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to respective grantees, mortgagees and trustees of such Unit Ownerships as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

4.04 Use of the Common Elements

(a) General. Subject to the provisions of this Declaration, each Unit Owner shall have the nonexclusive right to use the Common Elements (except the Limited Common Elements) in common with the other Unit Owners, as may be required for the purpose of ingress and egress to, and use, occupancy and enjoyment of, the respective Residential Unit and/or Parking Unit owned by such Unit Owner, and such other incidental uses as are permitted by this Declaration. Each Unit Owner shall have the right to the use and possession of the Limited Common Elements serving his Unit, in common with other Unit Owners, if any, having right thereto pursuant to this sentence and with all other parties to whom such rights extend pursuant to Section 3.04(b) of this Declaration, and to the exclusion of all other parties. Such rights to use and possess the Common Elements, including the Limited Common Elements, shall be subject to and be governed by the provision of the Act, this Declaration, and rules and regulations of the Association.

(b) Guest Privileges. The aforesaid rights shall extend to the Unit Owner and the members of the immediate family and authorized occupants, tenants, guests, visitors, agents, servants, invitees, customers and licensees of the Unit Owner, subject to reasonable rules and regulations with respect thereto.

(c) Disclaimer of Bailee Liability. Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, any Unit Owner, Declarant, nor Developer shall be considered a bailee of any personal property stored in the Common

Elements and shall not be responsible for the security of such personal property or for any loss or damage therein, whether or not due to negligence.

4.05 Maintenance, Repairs and Replacements.

(a) By the Association. The Association at its expense, shall be responsible for the maintenance, repair, and replacement of those portions, if any, of each Unit which contribute to the support of the Building excluding, however, the interior surfaces of walls, ceilings and floors which define the boundary planes of a Unit; provided, however, that each Unit Owner shall be responsible for the maintenance of all windows, exterior doors and skylights which exclusively serve such Unit Owner's Unit unless such maintenance, repairs or replacements are necessitated by the act or neglect of such Unit Owner, such Unit Owner's agents, servants, tenants, family members, invitees, licensees, contractors or pets. The Association shall be responsible for the maintenance, repairs and replacements of the surfaces of the Exterior Storage Limited Common Elements (including the resurfacing or repaving thereof) at the expense of the Unit Owners benefited thereby. In addition, the Association shall maintain, repair, and replace all pipes, wires, conduits, ducts, flues, shafts, and other facilities for the furnishing of utility services which may be located within the Unit boundaries and forming part of any system servicing more than one Unit, as specified in Section 2.02 hereof, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of an individual Unit Owner under paragraph (b) below, or any other provision of this Declaration. Maintenance, repairs, and replacements of the Common Elements shall be furnished by the Association acting by and through the Board as part of the Common Expenses, subject to the By-Laws or rules and regulations of the Association.

(b) By the Unit Owner. Except as otherwise provided in paragraph (a) above or paragraph (c) below, each Unit Owner shall furnish and be responsible for, at such Unit Owner's own expense:

(i) All of the maintenance, repairs and replacements within his own Unit, all doors appurtenant thereto, and all internal installations of such Unit such as air conditioning units, refrigerators, ranges, and other kitchen appliances, lighting fixtures and other electrical fixtures and plumbing, and any portion of any other utility service facilities located within the Unit; provided, however, that such maintenance, repairs and replacements as may be required for the bringing of telephone, cable or satellite television, water, electricity and natural gas to the Units, shall be furnished by the Board as part of the Common Expenses.

(ii) All of the decorating within such Unit Owner's own Residential Unit (initially and thereafter from time to time), including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the common walls and the interior surfaces of the vertical perimeter walls, floors and ceiling of his Residential Unit, and such Unit Owner shall maintain such portions in good condition at his sole expense as may be required from time to time. Except with respect to improvements by Developer, each Unit Owner of a Residential Unit who shall elect to install in any portion of his Residential Unit (other than in bath and powder rooms) hard surface floor covering (i.e., tile, slate, ceramic, hardwood, parquet, etc.) shall be first required to install a sound absorbent under cushion of such kind and quality as to prevent the transmission of noise to another Residential Unit, the Board may, in addition to exercising all of the other remedies provided for in this Declaration for breach of any of the provisions hereof, require such Unit Owner to cover all non-conforming work with carpeting, or may require removal of such non-conforming work, at the expense of the offending Unit Owner. The interior surfaces of all windows forming part of a perimeter wall of a Residential Unit shall be cleaned or washed at the expense of each respective Unit

Owner. The use of and the covering of the interior surfaces of such windows, whether by draperies, shades, or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Board as may be imposed from time to time.

(iii) Except as provided in Section 4.05(a) all of the maintenance repair, and replacements of the Limited Common Elements benefiting his Unit, in whole or in part, except to the extent as otherwise directed by the Board or as is otherwise provided herein, shall be performed by the respective Unit Owner benefited thereby. In addition, each Unit Owner shall be individually responsible for the repair, maintenance and replacement of all door and window locks and hardware with respect to which each Unit Owner is entitled to the exclusive use. At the discretion of the Board, the Board may perform, or cause to be performed, such maintenance repairs, and replacements of the Limited Common Elements and the cost thereof shall be assessed in whole or in part to Unit Owner or Unit Owners benefited thereby, and further at the discretion of the Board, the Board may direct such Unit Owner or Unit Owners, in the name and for the account of such Unit Owner or Unit Owners, to arrange for such maintenance, repairs, and replacements, to pay the cost thereof with the funds of the Unit Owner, and to procure and deliver to the Board such lien waivers and contractor's or sub-contractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

(c) To the Common Elements. If any repair or replacement to the Common Elements (including Limited Common Elements) is made necessary by reason of any act or occurrence for which insurance is maintained by the Board pursuant to Section 5.08 hereof and for which insurance proceeds are available as provided in Section 8.01 hereof, the Association, at its expense to the extent of such proceeds, and subject to Section 4.06 hereof, shall be responsible for the repair or replacement of such Common Elements.

(d) Nature of Obligation. Nothing herein shall be construed to impose a contractual liability upon the Association for maintenance, repair and replacement, but the Association's liability shall be limited to damages resulting from negligence. The respective obligations of the Association and Unit Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required to cure a latent or patent defect in material or workmanship in the construction of the Building, nor because they may become entitled to proceeds under policies of insurance. In addition, and notwithstanding anything, herein above to the contrary, no Unit Owner shall have a claim against the Board or Association (or against Declarant or Developer) for any work ordinarily the responsibility of the Board or Association, but which the Unit Owner himself has performed or paid for, unless the same shall have been agreed to in advance by the Board or Association or Declarant.

4.06 Negligence of Unit Owner. If, due to the willful misconduct or negligent act or omission of a Unit Owner, or a member of his family or household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be reasonably determined by the Board.

4.07 Joint Facilities. To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owner shall be in all respects reasonable as it affects the other Unit Owners. The authorized representatives of the Board, or of the manager or managing agent for the Building, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs, or replacements of or to the Common Elements or any equipment, facilities, or fixtures affecting or serving other Units or the Common Elements.

4.08 Additions, Alterations or Improvements

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

(b) Except as otherwise provided in Section 7.01(a) hereof, no additions, alterations or improvements shall be made by a Unit Owner to any part of the Common Elements and no additions, alterations or improvements shall be made by a Unit Owner to his Unit (where such work alters the structure of the Unit or increases the cost of insurance required to be carried by the Board hereunder) without the prior consent of the Board. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by a Unit Owner upon the Unit Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) to pay to the Association from time to time the additional cost of maintenance and/or insurance as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by a Unit Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions, which actions shall not be exclusive of the remedies available to the Board under Section 10.02 hereof:

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

(ii) If the Unit Owner refuses or fails to properly perform the work required under (1), the Board may cause such work to be done and may charge the Unit Owner for the cost thereof as determined by the Board; or

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

4.09 Street and Utilities Dedication. At a meeting called for such purpose, two-thirds (2/3) or more of the Unit Owners 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.

4.10 Combination or Subdivision of Units. If permissible pursuant to applicable zoning, building and other applicable codes and laws, any Unit Owner or Units Owners may, at their expense, combine, and Declarant may combine or subdivide Units owned by them and locate and relocate Common Elements affected or required thereby on written application to the Board approved by a majority of the members of the Board. Such application shall contain the proposed reallocation to the new Units of the percentage ownership of the Common Elements and whether the Limited Common Elements, if any, previously assigned to the Unit or Units to be subdivided or combined should be assigned to each new Unit or fewer than all the new Units created and requesting, if desired in the event of the combination of Units, that the new Unit be granted the exclusive right to use as a Limited Common Element a portion of the Common Elements within the Building adjacent to the new Unit. Such request to the Board shall be accompanied by an amendment to this Declaration and the Plat prepared in accordance with the relevant provisions of the Act. In the event of a combination of Units, such amendment may grant the Unit Owner of the new Unit the exclusive right to use, as a Limited Common Element, a portion of the Common Elements within the Property adjacent to the new Unit. The subdivision and combination of Units shall be effective upon recording of such amendment to this Declaration, executed by the Unit Owners of the Units involved, and the Plat. In the event of the combination of Units, if permitted by law, the Unit Owner of the new Unit may remove one of the entrance doors from the

new Unit; provided, however, that (i) prior to doing so, the Unit Owner shall deliver to the Board for review and approval plans for such removal, (ii) following such removal, the wall of the Common Elements corridor in which such door was located shall be restored to the same condition as the rest of such corridor, including the installation of identical wall coverings, if any, and (iii) such work shall be done at the Unit Owner's sole cost and expense free of any liens or claims for lien in conformity with all applicable laws, statutes, codes and ordinances and to the satisfaction of the Board. So long as Declarant owns any Units, Declarant shall have the right to combine or subdivide such Units without applying to or requiring approval of the Board, and to designate as a Limited Common Element appurtenant to the resulting Unit, the portion of the common Elements corridor located between or adjacent to such Units, by recording an amendment to this Declaration and the Plat in accordance with the Act.

4.11 Parking Units, Parking Lot and Parking Garage. Notwithstanding anything to the contrary contained herein, the Parking Units and Parking Garage are delineated on Exhibit B. Certain Unit Owners will acquire title in and to certain Parking Unit which shall include the right to park a single automobile in the Parking Unit. The Parking Units, Parking Lot and Parking Garage shall be subject to reasonable rules and regulations as may be established by the Board, as hereinafter provided.

ARTICLE V ADMINISTRATION

5.01 Administration of Property. The direction and administration of the Property shall be vested in the Board of Directors (herein sometimes referred to as the "Board") which shall consist of three (3) persons who shall be elected in the manner hereinafter set forth; provided, however, that, regardless of anything else contained in this Declaration, 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 Voting Members, Declarant or Developer shall have the right to designate and select the persons who shall serve as members of the Board or to exercise the powers of the Board as provided in the Act. Except for directors so designated by Declarant or Developer, each member of the Board shall be one of the Unit Owners; provided, however, that if a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any designated agent of such corporation, partnership, or other legal entity, or beneficiary of such trust, shall be eligible to serve as a member of the Board. If a Unit Owner owns more than one Unit and is a corporation, partnership, trust or other legal entity, other than a natural person, then any number of agents or beneficiaries of such Unit Owner may be directors, provided that the number of such Unit Owner's agents or beneficiaries who become directors shall not exceed the number of Units owned by such Unit Owner. If a director fails to meet such qualifications during his term, he shall thereupon cease to be a director, and his place on the Board shall be deemed vacant.

5.02 Association. The Association has been formed prior to the recording hereof as a not-for-profit corporation under the General-Not-for-Profit Corporation Act of the State of Illinois and for the purposes and having the powers described in the Act, and having the name (or a name similar thereto) THE 1120 CLUB CONDOMINIUM ASSOCIATION and shall be deemed to be the "Board of Managers" for the Unit Owners referred to in the Act. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions contained herein. Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, such membership shall automatically terminate when he ceases to be a Unit Owner, and upon the transfer of his ownership interest the transferee thereof shall likewise succeed to such membership in the Association. The Association shall have one class of membership.

5.03 Voting Rights.

(a) Voting Per Unit. Except as otherwise provided in Section 5.03(b) herein, there shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the

Unit Owners. Such person shall be known (and hereinafter referred to) as a "Voting Member". Such Voting Member may be the Unit Owner or one of the group composed of all the owners of a Unit Ownership, or be some person designated by such Unit Owner or Unit Owners or his duly authorized attorney-in-fact to act as proxy on his or their behalf and who must be a Unit Owner. Such designation shall be made in writing to the Board, shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Unit Owner or his duly authorized attorney-in-fact, shall bear the date of its execution and shall be invalid after eleven (11) months from date of execution unless otherwise provided in the proxy. Any or such Unit Owners may be present at any meeting of the Voting Members and (those constituting a group acting as a single Voting Member) may vote or take any other action as a Voting Member either in person or by proxy. The person(s) designated by Declarant with respect to any Unit Ownership owned by Declarant shall also have the right to vote at any meetings of the Board for so long as Declarant shall retain the right to so designate a Board member. If a Unit Owner is a trust, then the voting rights of such Unit Owner may be exercised by a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, then the voting rights of said Unit Owner or beneficiary may be exercised by an officer, partner or employee of such Unit Owner or beneficiary. The total number of votes of all Voting Members shall be one hundred (100), and each Unit Owner or group of Unit Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set forth in Exhibit C; provided that when thirty (30%) percent or fewer of the Units, by number, possess over fifty (50%) percent in the aggregate of the votes in the Association, any percentage vote of Unit Owners specified herein shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to limits that would otherwise be applicable.

(b) Multiple Owners of a Unit. If the ownership of a Unit is composed of more than one Person, then if only one of the multiple owners of a Unit is present at a meeting of the Association, then such owner shall be entitled to cast all of the votes allocated to that Unit. If more than one owner of a Unit is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority of interest of the group of owners comprising the Unit Owner. Majority agreement shall be deemed to have occurred if any one of the multiple owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit.

5.04 Meetings.

(a) Quorum. Meetings of the Unit Owners shall be held at the Property or at such other place in Cook County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of at least fifty (50%) percent of the Unit Owners shall constitute a quorum unless the Unit Owners, in accordance with the Act, provide otherwise. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Unit Owners at which a quorum is present upon the affirmative vote of the Unit Owners having a majority of the total votes present at such meeting.

(b) Initial and Annual Meeting. The initial meeting of the Voting Members shall be held upon no less than twenty-one (21) and no more than thirty (30) days written notice given by Declarant or Developer. Said initial meeting shall be held no later than the first to happen of (i) (60) days after the date Declarant has sold and delivered its deed for at least seventy-five (75%) percent of the Units or (ii) three (3) years from the date of the recording of this Declaration, whichever is sooner, provided, however, that the words "seventy-five percent (75%) of the Units" as used in the preceding clause of this sentence shall mean seventy-five percent (75%) of the sum of the Units listed on Exhibit C attached hereto. Thereafter, there shall be an annual meeting of the Voting Members on the second Tuesday of December following such initial meeting, and on the second Tuesday of

December of each succeeding year thereafter at 7:30 P.M., or at such other reasonable time or date as may be designated by written notice of the Board delivered to the Voting Members.

(c) Special Meetings. Special meetings of the Voting Members may be called at any time after the initial meeting provided for in Section 5.04(b) hereof for the purpose of considering matters which, by the terms of this Declaration, require the approval of all or some of the Voting Members, or for any other reasonable purpose provided, however, that the following matters shall require the approval of Voting Members having not less than three-fourths (3/4) of the total votes: (i) the merger or consolidation of the Association; (ii) the sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the Property and assets of the Association; and (iii) the purchase or sale or lease of Units or other real estate on behalf of all Unit Owners. Special meetings may be called by written notice authorized by a majority of the Board, the President of the Board, or by twenty percent (20%) of the Unit Owners, and delivered not less than ten (10) days and no 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. Matters to be submitted to the Unit Owners at special membership meetings shall be submitted by the Board.

5.05 Notices of Meetings. Except as otherwise provided herein, notices of meetings of the Voting Members required to be given herein may be delivered either personally, by facsimile, or by mail 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 notices, or to the Unit of the Unit Owner with respect to which such voting right appertains, if no address has been given to the Board, provided that any such notice shall be delivered no less than ten (10) and no more than thirty (30) days prior to the date fixed for such meeting and shall state the time, place and purpose of such meeting.

5.06 Board of Directors.

(a) Members; Number; Election and Term of Office. The initial Board of Directors designated by Declarant or Developer pursuant to Section 5.01 hereof shall consist of three (3) directors who shall serve without compensation. Such initial Board shall serve 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 Voting Members held as provided in Section 5.04(b) hereof. Said initial Board may, on behalf of Declarant or Developer, exercise the rights reserved in Section 15.01 hereof. At the initial meeting of voting Members held as provided in Section 5.04(b) hereof, the Voting Members shall elect the Board, which from and after that date shall consist of three (3) directors. In all elections for members of the Board, each Voting Member 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 deemed to be elected. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At the first annual meeting three (3) Board members shall be elected. The three (3) persons receiving the highest number of votes shall be elected to a term of two (2) years, and the one (1) person receiving the next highest number of votes shall be elected for a term of one (1) year. The election as between candidates receiving the same number of votes shall be determined by lot. All members of the Board shall be elected at large. Upon the expiration of the terms of office of the Board members so elected at the initial meeting thereafter, successors shall be elected for a term of two (2) years each. The Voting Members owning at least two-thirds (2/3) of the Units may from time to time at any annual or special meeting increase or decrease the term of office of Board members, provided that the terms of at least one-third (1/3) of the persons on the Board shall expire annually. Members of the Board shall receive no compensation for their services. Special meetings of the Board may be called at any time after the initial meeting by the President or twenty-five percent (25%) of the members of the Board. Vacancies in the Board including variances due to any increase in the number of persons on the Board, shall be filled by the Voting Members present at the meeting at which the vacancy occurs, the next annual meeting or a special meeting of the Voting Members called for such purpose. Vacancies may also be filled by the

Board by a two-thirds (2/3) vote of the remaining members thereof at a special meeting of the Board which vacancy shall be filled until the next annual meeting of the Voting Members or for a period terminating no later than thirty (30) days following the filing of a petition signed by Voting Members holding twenty percent (20%) of the votes of the Association requesting a meeting of the Voting Members to fill the vacancy for the balance of the term. A meeting of the Voting Members shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the Voting Members filing of a petition signed holding twenty percent (20%) of the votes of the Association requesting such a meeting. Except as otherwise provided in this Declaration, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt; provided, however, that (i) each Unit Owner shall be entitled to notice in the same manner as provided in Section 5.05 hereof, of any meeting of the Board called for the purpose of considering the adoption of the proposed annual budget or any increase or establishment of an assessment; and (ii) the Board shall meet no less than four (4) times each year. Two-thirds (2/3) of the total number of members on the Board shall constitute a quorum. Any member of the Board may succeed himself or herself.

(b) **Budget Increases.** If the Board adopts a budget requiring assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred-fifteen percent (115%) of the assessments for the preceding year, the Board, upon written petition by the Voting Members with twenty (20%) percent of the votes of the Association filed within fourteen (14) days of the Board action, shall call a meeting of the Voting Members within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of Voting Members present are cast at the meeting to reject the budget, the budget shall be deemed to be ratified, regardless of whether or not a quorum is present. In any determination of whether assessments exceed one hundred and fifteen (115%) percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair replacement of the Property, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

(c) **Officers; Vacancies.** The Board shall elect from amongst its members a President who shall preside over both its meeting and those of the Voting Members, and who shall be the chief executive officer of the Board and the Association and who shall be designated to mail and receive all notices and execute all amendments hereto as provided herein and in the Act, a Secretary who shall keep the minutes of all meetings of the Board and of the Voting Members and who shall, in general, perform all the duties incident to the Office of the Secretary, and a Treasurer to keep the financial records and books of account, such additional officers as the Board shall see fit to elect from amongst the members of the Board. The term of office for each officer shall be until the next succeeding annual meeting of the Board, and until his successor shall be duly elected or appointed and qualified pursuant hereto. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of the Board. Any director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by a vote of two-thirds (2/3) of the total membership of the Board at a special meeting hereof. Any officer may succeed himself.

(d) **Notice of Meetings.** Written notice stating the place, date and hour of any meeting of the Board shall be delivered to each member of the Board not less than five (5) days prior to the date of such meeting. The purpose for which the meeting is called shall be stated in the notice.

(e) **Open Meetings.** All meetings of the Board, except as otherwise provided by the Act, shall be open to attendance by any Unit Owner, and notice thereof, except as otherwise provided herein, shall be mailed or delivered to each Unit Owner not less than forty-eight (48) hours prior thereto unless a written waiver of such notice is signed by such Unit Owner before the meeting is

convened. Any vote on matters which may, under the Act, be discussed in a meeting not open to attendance by any Unit Owners, shall be taken at a meeting or portion thereof open to any Unit Owners. Any Unit Owner may record the proceedings at meetings or portions thereof required to be open under the Act by tape, film, or other means provided, however, that the Board may prescribe reasonable rules and regulations to be given the right to make such recordings. A copy of such notice of meeting required to be given hereunder shall be posted in a conspicuous place in the Building at least forty-eight (48) hours prior to the time fixed for such meeting.

(f) Turnover Documents. Within sixty (60) days following the election of a majority of members of the Board other than those members designated by Declarant or Developer, Developer shall deliver to the Board the following:

(i) All original documents as recorded or filed pertaining to the Property, its administration, and the Association, such as this Declaration, Articles of Incorporation for the Association, other condominium instruments, annual reports, a minute book containing the minutes of any meetings held by the Association and any rules and regulations governing the Property, contracts, leases or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if certified by affidavit of Developer, or an officer or agent of Developer, as being a complete copy of the actual document recorded as filed.

(ii) A detailed accounting by Developer, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance and operation of the Property and copies of all insurance policies and a list of any loans or advances to the association which are outstanding.

(iii) Any Association funds on hand which shall have been at all times segregated from any other funds of Developer.

(iv) A schedule of all real or personal property, equipment and fixtures owned by the Association, including documents such as invoices or bills of sale, if available, evidencing transfer of title to such property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies, and all tax bills.

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

(g) Removal; Succession. Except for directors designated by Declarant or Developer pursuant to Section 5.01 hereof, any Board member may be removed from office, at any time after the election of directors at the initial meeting of Voting Members pursuant to Section 5.06(a) hereof, by affirmative vote of the Voting Members owning at least two-thirds (2/3) of the Units, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board members removed may be elected by the Voting Members at the same meeting or any subsequent meeting called for that purpose.

(h) Names and Addresses. The Association (or Declarant or Developer, in exercise of the powers reserved in Section 15.01 hereof), shall furnish any Unit Owner, within three (3) working days of delivery to it of a request thereof, the names, addresses, telephone numbers (if known), and

the number of votes of each Unit Owner entitled in vote at the initial meeting of the Voting Members to elect member of the Board and at each subsequent meeting of the voting members to elect members of the Board.

(i) Fidelity Bond. The Board may require (1) that all officers, employees or other persons who control or disburse funds held or administered by the Association shall furnish fiduciary insurance coverage which covers the maximum amount of funds that will be in the custody of the Association plus the Reserve, the premium cost of which shall be paid by the Association and (2) that all Management Companies who either handle or are responsible for funds held or administered by the Association shall furnish a fidelity bond to the Association which covers the maximum amount of Association funds plus the Association Reserves, the premium cost of which shall be paid by the Association. The "Management Company" shall be defined as a person, partnership, corporation, or other legal entity entitled to transact business on behalf of others, acting on behalf of or as an agent for a Unit Owner, Unit Owners or Association of Unit Owners for the purpose of carrying out the duties, responsibilities, and other obligations necessary for the day-to-day operation and management of any property subject to the Act. For purposes of this paragraph, the term "Fiduciary Insurance Coverage" shall be defined as both a fidelity bond and directors and officers liability coverage, the fidelity bond in the full amount of the Association funds and the Reserves that will be in the custody of the Association, and the directors and officers liability coverage at a level as shall be determined to be reasonable by the Board, if not otherwise established by this Declaration or Bylaws.

5.07 General Powers of the Board. The Board shall have the following general powers:

(a) Management Agent. Subject to the rights reserved by Declarant or Developer pursuant to Section 15.01 hereof, the Board may engage the services of an agent to manage the Property for which the Board is responsible pursuant to this Declaration, to the extent deemed advisable by the Board; provided, however, that any agreement for professional management, except as hereinafter provided, shall provide for termination by the Board without cause upon ninety (90) days written notice without payment of a termination fee, provide for termination with cause by the Board of thirty (30) days written notice without payment for termination fee and shall have a term not to exceed two (2) years, renewable by agreement of the parties for successive one (1) year periods. The initial agreement for professional management may provide for a monthly rate and subject to such terms as are consistent with competitive rates and terms prevailing in the area in which the Property is located expiring two (2) years from the date of recording of the last amendment to this Declaration subject to termination for cause by the Association upon thirty (30) days written notice without payment of a termination fee. The management agreement shall require the management agent to furnish a fidelity bond in such amounts and with such provisions as contained in Section 5.08 (a)(v).

(b) Right of Entry. The Board or its agents, upon reasonable notice, may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible to make emergency repairs as may be necessary to prevent damage to the Common Elements or to any other Unit or Units.

(c) Limitations. Except as otherwise provided in the Budget, the Board's powers hereinafter enumerated shall be limited in that the Board shall have no authority to acquire and use the Maintenance Fund to pay for any structural alterations, capital additions to, or capital improvements of the Common Elements (other than for purposes of replacing or restoring portions of the Common Elements, subject to all the provisions of this Declaration or unless required for emergency repair, protection or operation of the Common Elements), requiring an expenditure in excess of Fifteen Thousand and 00/100 Dollars (\$15,000.00) without in each case the prior written approval of Unit Owners owning at least two-thirds (2/3) of the Units.

(d) **Contracts.** All arrangements, contracts, deeds, 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 Treasurer and countersigned by the President of the Board. The Board may not enter into a contract with a current board member or with a corporation or partnership in which a Board member or a member of the Board member's immediate family has twenty-five (25%) percent or more interest, unless notice of intent to enter into the contract is given to Unit Owners within twenty (20) days after a decision is made to enter into a contract and the Unit Owners are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the Unit owners, for an election to approve or disapprove the contract.

(e) **Employees.** The Board shall have the power and duty to provide for the designation, hiring, and removal of employees and other personnel, including lawyers and accountants, to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management, and operation of the Property, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent).

(f) **General Power.** The Board shall have the power to exercise all other powers and duties of the Board of Directors or Unit Owners as a group referred to in this Declaration or the Act. More specifically, the Board shall exercise for the Association all powers, duties and authority vested therein by law or the condominium instruments except for such powers, duties and authority reserved thereby to the members of the Association. The powers and duties of the Board shall include, but shall not be limited to, the following matters:

- (i) Operation, care, upkeep, maintenance, replacement and improvement of the Common Elements in a neat and orderly manner as required in this Declaration;
- (ii) Preparation, adoption and distribution of the annual budget for the Property;
- (iii) Levying of assessments and collections thereof from Unit Owners;
- (iv) Borrowing funds;
- (v) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements;
- (vi) Obtaining adequate and appropriate kinds of insurance;
- (vii) Reserving, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by it;
- (viii) Adoption and amendment of rules and regulations covering the details of the operation and use of the Property, after a meeting of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations, however, no rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution;
- (xi) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;

(x) To have access to each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common Elements (to the extent the Association is responsible for such maintenance, repair or replacement) therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to other Unit or Units;

(xi) Pay real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the condominium;

(xii) Impose charges for late payments of a Unit Owner's proportionate share of the Common Expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of this Declaration and rules and regulations of the Association. If any Unit Owner shall fail or refuse to make any payments of the Common Expenses when due, the amount thereof, together with any interest, late charges, reasonable attorneys' fees incurred prior to the initiation of any court action, and costs of collections or the amount of any unpaid fine shall constitute a lien on the interest of such Unit Owner prior to all other liens and encumbrances recorded or unrecorded, except only (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of Illinois and other state and federal taxes which by law are a lien on the interest of such Unit Owner prior to preexisting recorded encumbrance thereon and (b) encumbrances on the interest of such Unit Owners recorded prior to the date of such failure or refusal which by law would be a lien thereon prior to subsequently recorded encumbrances;

(xiii) Assign the Association's right to future income, including the right to receive Common Expenses;

(xiv) Record the dedication of a portion of the Common Elements to a public body for use as or in connection with a street or utility where authorized by the Unit Owners under the provisions of Section 4.10 hereof;

(xv) Record the granting of an easement for the laying of cable television where applicable pursuant to the provisions of Section 4.03(b) hereof; and

(g) Payment of Operating Expenses. Subject to the provisions of Section 4.06 and Section 6.08 hereof, the Board for the benefit of all the Unit Owners shall acquire and shall pay from the Maintenance Fund hereinafter provided for, the following:

(i) Operating expenses of the Common Elements, including water, electricity, gas, telephone, bulk cable and other necessary utility service for the Common Elements and (if not separately metered or charged) for the Units, license fees for balconies in the public way, driveway fees;

(ii) Services of any person or firm to act on behalf of the Unit Owners in connection with real estate taxes and special assessments on the Unit Ownerships, and in connection with any other matters where the respective interests of the Unit Owners are deemed by the Board to be similar and non-adverse to each other. The cost of such services shall be Common Expenses;

(iii) Painting, cleaning, outside window washing, tuckpointing, maintenance, decorating, repair, and replacement of the Common Elements, which serves the Building

exclusively (but not including the interior surfaces of the Units and of the perimeter doors appurtenant thereto, and repair of windows and skylights which the Unit Owners shall paint, clean, decorate, maintain, and repair) and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper;

(iv) Any other materials, supplies, utilities, furniture, equipment, labor, services, maintenance, repairs or structural alterations which the Board is required to secure or pay for, pursuant to the terms of this Declaration and By-Laws or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as a first-class condominium development or for the enforcement of the restrictions contained herein;

(v) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Property or any part thereof which may in the opinion of the Board constitute a lien against the Property or against the Common Elements, rather than merely against the interests therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specifically assessed to said Unit Owners; and

(vi) Maintenance and repair of any Unit if such maintenance or repair is necessary, in the direction of the Board, to protect the Common Elements or any other portion of the Building, or if a Unit Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Unit Owner, provided that the Board shall level a special assessment against such Unit Owner for the cost of said maintenance repair.

(h) **Contracts Prior to Turnover Date.** Prior to the election by Voting Members of the first Board, Declarant or Developer shall, subject to the terms of this Declaration, have the authority to lease or to grant licenses, concessions and contracts with respect to any part of the Common Elements, all upon such terms a Declarant or Developer deems appropriate. Upon election of the first Board, and thereafter, the Board by a vote of at least two-thirds (2/3) of the persons on the Board shall have the same authority as aforesaid.

(i) **Right to Purchase Units.** The Board shall have the power to bid for any purchase of any Unit Ownership at a sale pursuant to a mortgage foreclosure, or a foreclosure of the lien for Common Expenses under the Act, or at a sale pursuant to an order of direction of a court, or other involuntary sale, upon the consent or approval of Unit Owners having not less than two-thirds (2/3) of the total votes.

(j) **Assessments.** The Association shall have no authority to forebear the payment of assessments by any Unit Owner.

(k) **Litigation.** The Board shall not commence any litigation without first obtaining the consent or approval of Unit Owners owning at least two-thirds (2/3) of the Units.

5.08 Insurance.

(a) **Types.** The Board shall have the authority to and shall obtain insurance for the Property as follows:

(i) Physical damage insurance on the Property (but excluding additions,

alterations, improvements and betterments to the Units), subject to the following conditions:

(A) Such insurance shall be "bare wall" insurance with respect to the Units:

(B) The Property shall be insured for an amount not less than one hundred percent (100%) of its full insurable replacement cost;

(C) Replacement cost values are to be reviewed annually, and the insurance policy or policies shall be endorsed with an agreed amount clause. The cost of any and all appraisals for insurance purposes shall be Common Expenses;

(D) Perils to be covered by such policies shall be no less than "all risk" or "special form" on real property and "broad form" named perils on personal property, and such other perils as may be deemed appropriate by the Board.

(ii) Comprehensive General Liability insurance covering personal injury and property damage insuring against hazards of premises/operations, products and completed operations, contractual liability, personal injury liability (with exclusions (a) and (c) deleted), independent contractors and other extensions as deemed necessary by the Board. Such insurance shall provide limits of liability as deemed desirable by the Board, but in no event for less than One Million Dollars (\$1,000,000.00) with respect to each occurrence. Such policy shall be endorsed to cover cross-liability claims of one insured against the other.

(iii) Umbrella Liability insurance in excess of the required Comprehensive General Liability and Employer Liability policies in an amount deemed desirable by the Board, but in no event less than Three Million Dollars (\$3,000,000.00) with respect to each occurrence. Such policy shall include coverage for damages caused by the sprinkler system in the Building. Such policy shall be no less than "following form" coverage of the primary liability policies.

(iv) Worker's Compensation and Employer Liability (minimum amount \$100,000) as necessary to comply with applicable laws, including Voluntary Compensation to cover employees not covered under the Illinois statute for benefits.

(v) Fidelity bond insuring the Association, the Board and the 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 and the 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 (or the maximum amount of coverage available to protect such funds). The premium for such fidelity bond shall be a Common Expense. 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 canceled for non-payment of any premiums or otherwise substantially modified without sixty (60) days prior written notice to all holders of first mortgages of record. Notwithstanding anything contained herein to the contrary, if the Board does not hire a management company or if fidelity insurance is not required by the Act, the Board shall not be required to obtain such insurance.

(vi) Directors and Officers Liability insurance in such amounts as the Board shall determine to be reasonable.

(vii) Such other insurance, which may include, without limitation, any or all of the following, in such amounts as the Board shall deem desirable; Plate Glass insurance; Errors and Omissions coverage for the directors of the Board; and Medical Payments coverage for members of the public (not Unit Owners) injured on the Property, without regard to liability of the Board or the Association.

The premiums for the above described insurance and bond, except as otherwise provided in this Section 5.08, shall be Common Expenses

5.09 Liability of the Board of Directors. Neither the members of the Board nor the officers of the Association shall be liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever except those determined by a court to constitute gross negligence or fraud. The Unit 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 Unit 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 contrary to the provisions of this Declaration. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid or received 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 officer; 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 compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such member or officer. It is also intended that the liability of any Unit Owner arising out of any contract made by or other acts of the Board or officers of the Association, or out of the aforesaid indemnity in favor of the members of the Board and officers of the Association, shall be limited to such proportion of the total liability hereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the Board on behalf of the Unit Owners shall be deemed to provide that the members of the Board are acting only as agents for the Unit Owners, and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements.

5.10 Resale of Units. Upon a resale (i.e. any sale made after the initial sale) of any Unit by a Unit Owner other than Developer or Declarant, and within thirty (30) days after the written request by such Unit Owner, the Board shall deliver a copy of each of the documents and make the disclosures described in and required by Section 22.1 of the Act. The Board shall be allowed to charge a reasonable fee, not to exceed the maximum amount prescribed by the Act, for providing such information. This paragraph is in addition to those various agreements set forth in Article XIII hereafter.

ARTICLE VI COMMON EXPENSES-MAINTENANCE FUND

6.01 Preparation of Estimated Budget. On or before November 1 of each year, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, including, without limitations, amounts to maintain a Capital Reserve (as hereinafter defined), and within fifteen (15) days thereafter, notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemization thereof, including those portions intended for capital expenditures or repairs or payment of real estate taxes

and containing each Unit Owner's respective assessment provided, however, that such annual budget shall be furnished to each Unit Owner at least thirty (30) days prior to its adoption by the Board. Said "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in Exhibit C attached hereto. On or before January 1 of the ensuing year, and the first day of each and every month of said year, each Unit Owner jointly and severally, shall be personally liable for and obligated to pay to the Board or as it may direct, one-twelfth (1/12) of the assessments made pursuant to this paragraph. On or before April 1 of each calendar year following the initial meeting of the Voting Members, the Board shall supply to all Unit Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Such accounting shall upon the written request of any Unit Owner be prepared by a certified public accountant, in which event such accounting shall be due as soon as reasonably possible after such request. Any net shortage or excess shall be applied as an adjustment to the installments due under the current year's estimate in provisions of Section 6.02 hereof. For purposes of this Declaration and the management and operation of the Property, the calendar year shall be deemed to be the fiscal year of the Association.

6.02 Capital Reserve; Supplemental Budget. The Association shall segregate and maintain a special reserve account to be used solely for making capital expenditures in connection with the Common Elements (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Elements and equipment owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of equipment to be used by the Association in connection with its duties hereunder. Each budget shall disclose that percentage of the annual assessment which shall be added to the Capital Reserve and each Unit Owner shall be deemed to make a capital contribution to the Association equal to such percentage multiplied by each installment of the annual assessment paid by such Unit Owner. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such portions of any contingency reserve or Capital Reserve, as applicable, which remains unallocated. If the estimated Common Expenses contained in the budget prove inadequate for any reason or in the event a nonrecurring Common Expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or nonrecurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a special or separate assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget. All Unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount. Any such special or separate assessment, if it involves proposed expenditures resulting in a total payment assessed to a Unit equal to the greater of (i) five (5) times the Unit's most recent monthly assessment or (ii) Nine Hundred Dollars (\$900.00), shall be subject to the affirmative vote of at least two-thirds (2/3) of the total ownership of the Common Elements at a meeting specifically called for approving such special or separate assessment.

6.03 Initial Budget. The initial Board appointed by Developer shall determine and adopt, prior to the conveyance of the first Unit hereunder, the "estimated cash requirement" for the initial period commencing with the first day of the month in which the sale of the first Unit is closed and ending on December 31 of the calendar year in which sale occurs, and shall continue to determine the "estimated cash requirement" for each succeeding calendar year until such time as the first Board elected hereunder takes office and which may include such sums as collected from time to time at the closing of the sale of each Unit. Assessments shall be levied against the Unit Owners during said periods as provided in Section 6.01 of this Article.

6.04 Failure to Prepare Annual Budget. The failure or delay of the Board to prepare to serve the annual or adjusted estimate on the Unit Owner shall not constitute a waiver or release in any manner of such Unit Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Unit Owner

shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance program which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

6.05 Records of the Association. The managing agent or Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgagees and their duly authorized agent or attorneys:

(a) Copies of this Declaration and any amendments, Articles of Incorporation of the Association, annual reports and any rules and regulations adopted by the Association or its Board shall be available. Prior to the organization of the Association, Developer shall maintain and make available the records set forth in this subsection (a) for examination and copying;

(b) Detailed accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expense incurred, and copies of all contracts, leases, or other agreements entered into by the Association shall be maintained;

(c) The minutes of all meetings of the Association and the Board shall be maintained. The Association shall maintain these minutes for a period of not less than 7 years; and

(d) Such other Records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 25 of the General Not-for-Profit Corporation Act, approved July 19, 1943, as amended, shall be maintained.

A reasonable fee may be charged by the Association or its Board for the cost of copying. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

6.06 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 Unit Owners and for such adjustments as may be required to reflect delinquent or prepared assessments or user charges) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages forth in Exhibit C.

6.07 Initial Reserves. At the time the initial sale of each Unit is closed, the purchaser of the Unit shall pay to the Association an amount equal to two (2) times the first full monthly assessment for each Unit. This sum shall be held as Reserves to be used and applied as determined by the Board. This payment shall not be refundable or be applied as a credit against the Unit Owner's monthly assessments. The Board or Developer shall have the right to transfer such funds from time to time as may be necessary to fund the Capital Reserve.

6.08 User Charges. The Board, or Declarant or Developer, acting pursuant to Section 15.01 hereof, may establish and each Unit Owner shall pay, user charges to defray the expense of providing services, facilities, or benefits which may not be used equally or proportionately by all of the Unit Owners or which, in the judgment of the Board, should not be charged to every Unit Owner, including, without limitation, expenses related to the shared facilities described in Section 4.03(f) above. Such expense may include such services and facilities provided to Unit Owners which the Board determines should not be allocated among all of the Unit Owners in the same manner as the Common Expenses. Such user charges may be billed separately to each Unit Owner benefited thereby, or may be added to such Unit Owner's share of the Common Expenses, as otherwise determined, and collected as a part thereof. Nothing herein shall

require the establishment of user charges pursuant to this Section 6.08, and the Board or Declarant or Developer may elect to treat all or any portion thereof as Common Expenses.

6.09 Non-Use and Abandonment. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his or their Units.

ARTICLE VII COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

7.01 Restrictions. The occupancy and use of the Units and the Common Elements shall be subject to the following restrictions:

(a) Each Residential Unit (or any two or more adjoining Residential Units together) shall be used for residential purposes only. That part of the Common Elements separating any two or more adjoining Units which are owned by the same Unit Owner may be altered or removed to afford ingress and egress to and from adjoining Units; provided, however, that (i) such alteration or removal shall not impair or weaken the structural integrity of any Unit or any portion of the Common Elements; (ii) the Unit Owner shall furnish the Board not less than ten (10) days prior to the date the Unit Owner desires to commence such work all plans detailing the work to be done; (iii) the Board consents to the performance of such work and a Certificate of Insurance naming the Board as an additional insured for any liability; (iv) the expense of such alterations shall be paid in full by the Unit Owner making such alterations; (v) such Unit Owner shall pay in full the expense of restoring such Common Elements to their former condition prior to such alterations in the event such Units cease to be used together; and (vi) such Unit Owner and the work comply with all applicable building, health and safety laws, codes, rules, ordinance and regulations; provided, however, that the foregoing subsections (ii) and (iii) shall not apply to Developer or to Declarant.

(b) There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements (except in areas designated for such purpose, and except in areas which are Limited Common Elements serving exclusively the Unit of the Unit Owner obstructing same) without the prior consent of the Board or except as hereinafter expressly provided. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit.

(c) Nothing shall be done or kept in any Unit or in the Common Elements serving the Units which will increase the rate of insurance on the Building or contents thereof without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance of the Building, or contents thereof, or which would be in violation of any law. No waste shall be committed in the Common Elements.

(d) No animals shall be raised, bred or kept in any Unit or the Common Elements except as provided herein. Animals of a breed or variety commonly kept as household pets shall be allowed to be kept in a Residential Unit by a Unit Owner so long as they are not kept or bred for any commercial purpose, are not allowed to run loose on the Property, are kept in strict accordance with such other rules and regulations relating to household pets as may be from time to time adopted or approved by the Board, and do not, in the judgment of the Board constitute a nuisance to others. Each Unit Owner and each Occupant shall be responsible for picking up after any animal bred or kept in such Unit Owner's or Occupant's respective Residential Unit, including, without limitation, removing any waste deposited by such animal anywhere on the Common Elements.

(e) No noxious, unlawful or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or Occupants or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

(f) Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Building or which would structurally change the Building except as is otherwise provided herein. No Unit Owner shall overload the electric wiring in the Building, or operate machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior consent of the board or the managing agent, acting in accord with the Board's direction. No Unit Owner shall overload the floors of any Unit. Waterbeds and other furnishings which may cause floor overloads shall not be placed, kept or used in any Unit except only in accordance with advance written Board approval.

(g) No Unit Owner shall display, hang, store or use any signs, clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains or shades of a customary nature and appearance and "For Sale" signs, subject to the rules and regulations of the Board which shall provide for notice to management company prior to any such installation and managing agent's approval of the method of installation prior to any such installation), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, dish or other receptive or transmitting device, or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the managing agent, acting in accord with the Board's direction; provided, however, that the foregoing shall not apply to Developer or to Declarant. Satellite cable reception dishes may be installed by Owners provided the satellite dishes do not exceed the measurements of 24" x 24". No shortwave radio or other type of radio transmitter shall be permitted in or about any Unit which may interfere with the radio or television reception in any Unit. No Unit Owner shall at any time install speakers in or on common walls or common ceilings of a Unit. The Owner of the Unit shall be responsible for the addition of any soundproofing in such Unit should it become necessary to prevent sound from audio equipment from being transmitted into adjoining Units.

(h) Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, motor vehicles, motorcycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in any area constituting part of the Common Elements, (except in areas designated for such purpose, and except in areas which are Limited Common Elements serving exclusively the Unit of such Unit Owner).

(i) During the period that Declarant, Developer, or their respective agents, successors or assigns, are engaged in the marketing, sales or leasing of Units, or performing work in or about the Building, Declarant and Developer and their respective agents, employees, successors, assigns, contractors, subcontractors, brokers, licensees and invitees and each of them shall be entitled to (i) have access, ingress and egress to and from the Building and Common Elements and use such portion of the Building and Common Elements as may be necessary or desirable in connection with the aforescribed marketing, sales, leasing of Units or performance of work; (ii) use or show one or more unsold and non-conveyed Units or portion or portions of the Common Elements as a model Unit or Units (for sale or lease), sales office, construction, or refurbishment office or administrative or management offices or for such other purposes deemed necessary or desirable in connection

with the aforescribed construction, refurbishment, administration, marketing, sales or leasing of Units or performing work in or about the Building; (iii) post and maintain such signs banners and flags, or other advertising material in, or about the Building and Common Elements in such form as deemed desirable by Declarant or Developer, and as may be deemed necessary or desirable in connection with the marketing, sales, leasing or management of Units or performing work in or about the Building or in connection with (i) and (ii) above; and (iv) make alterations of and additions and improvements to, the Units or the Common Elements in connection with any of Declarant's or Developer's activities in connection with the refurbishment, renovation of the Building or the construction, promotion, marketing, sales or leasing of the Units or performing work in or about the Building. The foregoing shall not be amended or modified in any manner without the express written consent of Developer or its successors or assigns.

(j) Each Unit Owner shall deposit with the Board duplicate keys for all locks relating to the entryway of the Unit.

(k) As a courtesy to neighboring Unit Owners, so as to minimize noise and obstructions, and further, for the health, safety and protection of all Unit Owners and their guests and invitees, the use and occupancy of an individual exterior porch/deck adjacent to any Unit shall be limited to no more than ten (10) people at any given time.

(l) The Unit restrictions in paragraph (a) of Section 7.01 shall not, however, be construed in such a manner as to prohibit a Unit Owner of a Residential Unit from: (i) maintaining his personal professional library therein; (ii) keeping his personal business or professional records or accounts therein; (iii) handling his personal business or professional telephone calls or correspondence therefrom; (iv) maintaining a computer or other office equipment within the Residential Unit; or (v) utilizing secretarial help and having occasional business visitors. Such uses are expressly declared customarily incident to the principal resident use and not in violation of paragraph (a) of this Section 7.01. Except pursuant to Section 7.01(a), notwithstanding the foregoing, no Unit Owner shall suffer or permit the regular or consistent entry of customers or clients.

(m) The provisions of the Act, this Declaration and rules and regulations that relate to the use of a Unit or the Common Elements shall be applicable to any person leasing a Unit Ownership and shall be deemed to be incorporated in any lease executed in connection with a Unit Ownership. The Association may prohibit a tenant from occupying a Unit until the Unit Owner complies with the leasing requirements prescribed in Article XIII hereof or as may be adopted by the Association. The Board may proceed directly against a tenant, at law or in equity, or under the provisions of Article IX of the Illinois Code of Civil Procedure, for any breach by a tenant of any covenants, rules, regulations or By-Laws, without excluding any other rights or remedies. The remedies set forth in Article IX of the Code of Civil Procedure shall be available to the Association and against the Unit Owner and the Unit Owner's lessee in the event of any violation of this sentence or of any other provision of this Declaration concerning Unit Ownership leasing, without excluding any other rights or remedies.

ARTICLE VIII

DAMAGE, DESTRUCTION, CONDEMNATION AND RESTORATION OF BUILDING

8.01 Sufficient Insurance. If the improvements forming a part of the Property, or any portion thereof, including any Units, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage and payable by reason thereof, plus Capital Reserves,

shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds and, if necessary, the Capital Reserve shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that if within one hundred eighty (180) days after said damage or destruction, the Unit Owners shall elect either to sell the Property as hereinafter provided in Article IX hereof or to withdraw the Property from the provisions of this Declaration, and from the provisions of the Act as therein provided, then such repair, restoration, or reconstruction shall not be undertaken. If the Unit Owner elects to repair, restore or reconstruct the Building, such work shall commence in all events within the time required and pursued to its completion pursuant to applicable laws, ordinances and regulations, including all applicable zoning codes. If such repair, restoration, or reconstruction is not undertaken the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in Exhibit C after first paying from the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

8.02 Insufficient Insurance.

(a) If the insurance proceeds and the Capital Reserve are insufficient to reconstruct the Building and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of the Building within one hundred eighty (180) days from the date of damage or destruction, then the provisions of the Act shall apply.

(b) In the case of damage or other destruction in which fewer than one-half (1/2) of the Units are rendered uninhabitable, upon the affirmative vote of three-fourths (3/4) of the votes of the Unit Owners voting at a meeting called for the purpose, the Building or other portion of the Property shall be reconstructed. The meeting shall be held within thirty (30) days following the final adjustment of insurance claims, if any, otherwise, such meeting shall be held within ninety (90) days of the occurrence of the damage or other destruction. At such meeting the Board or its representatives, shall present to the members present, an estimate of the cost of repair or reconstruction, and the estimated amount of necessary assessments against each Unit Owner.

(c) In the case of damage or other destruction, upon the affirmative vote of three-fourths (3/4) of the votes of the Unit Owners voting at a meeting called for that purpose, any portion of the Property affected by such damage or destruction maybe withdrawn from the Act. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Any insurance or other proceeds available in connection with the withdrawal or any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage interest therein. Any proceeds available from the withdrawal of any Limited Common Elements will be distributed in accordance with the interest of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof by the Unit Owner shall cease.

8.03 Eminent Domain. If any portion of the Property is taken by condemnation or eminent domain proceedings, provision for withdrawal of the portions so taken from the provisions of the Act may be made by the Board. Upon the withdrawal of any Unit or portion thereof due to eminent domain, the percentage of the interest in the Common Elements appurtenant to such Unit or portion so withdrawn shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced

accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements shall be allocated on the basis of each Unit Owner's percentage interest therein. Proceeds available from the withdrawal of any Limited Common Element will be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof by the Unit Owner shall cease. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for the acquisition of the Common Elements or any part thereof. If the total taking of the Property by eminent domain, the condemnation award available in that connection shall be divided by the Association among all Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in Exhibit C, after first paying from the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

8.04 Repair, Restoration or Reconstruction of the Improvements. As used in this Article, "repair, restoration or reconstruction" of improvements means restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and Common Element having the same vertical and horizontal boundaries as before, unless, if allowed by the Act, other action is approved by holders of first mortgages on Units which have more than fifty percent (50%) of the votes in the Association. Any repair, restoration or reconstruction shall be in accordance with law, this Declaration and the Act.

ARTICLE IX SALE OF PROPERTY

9.01 Sale. At a meeting duly called for such purpose and attended by all Unit Owners, the Unit Owners by affirmative vote of one hundred percent (100%) of the Unit Owners, may elect to sell the Property as a whole. Within ten (10) days after the date of the meeting at which such sale was approved the Board shall give written notice of such action to the holder of any duly recorded mortgage or trust deed against any Unit entitled to notice under Section 15.02 of this Declaration. Such action shall be binding upon all Unit Owners and it shall thereupon become the duty of every Unit Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect such sale.

ARTICLE X REMEDIES

10.01 Violations. Upon the occurrence of any one or more of the following events, the Board shall have the rights and remedies set forth in Section 10.02 of this Declaration:

(a) Failure by a Unit Owner to pay when due any sums required to be paid by such Unit Owner pursuant to Sections 4.05, 4.06 and 4.08(b), Article VI, or other provisions of this Declaration, for thirty (30) days after written notice of such non-payment shall have been given such Unit Owner; provided that such defaulting Unit Owner shall not be entitled to written notice and opportunity to cure such failure if such Unit Owner has been given three or more notices pursuant to this Section 10.01(a) during the twelve-month period immediately preceding the first day of such failure.

(b) Violation or breach by a Unit Owner (or any occupant of his Unit) of any provision, covenant or restriction of the Act, Declaration, the By-Laws, contractual obligation to the Board or Association undertaken by such Unit Owner, or rules and regulations promulgated by the Board, and continuation of such violation or breach for thirty (30) days after written notice thereof shall have

been given such Unit Owner; provided that such defaulting Unit Owner shall not be entitled to written notice and opportunity to correct such violation or breach if such Unit Owner has been given three or more notices pursuant to this Section 10.01(b) during the twelve-month period immediately preceding the first day of such violation or breach.

10.02 Remedies. Upon the occurrence of any one or more of the events described in Section 10.01, the Board shall have the following rights and remedies:

(a) The Board shall have the right to immediate possession of the defaulting Unit Owner's Unit after service by the Board on such Unit Owner, in the manner set forth in Section 15.03 hereof, of a notice to quit and deliver up possession which right may be enforced by an action for possession under "An Act in Regard to Forcible Entry and Detainer," approved February 16, 1974, as amended.

(b) For a violation or breach described in Section 10.01(b) hereof, the Board shall have the right: (i) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove or do whatever else may be necessary to correct at the expense of the defaulting Unit Owner, any such violation or breach or the cause of such violation or breach, and Declarant, or Developer, or their successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner or trespass; or (ii) to enjoin, abate, or remedy by a proceeding at law or in equity the continuance of any such violation or breach.

(c) Upon the occurrence of one of the events described in Section 10.01(a) hereof, including without limitation, failure by a Unit Owner to pay his percentage share of Common Expenses or user charges, the Board shall have a lien on the interest of the defaulting Unit Owner in his Unit Ownership in the amount of any sums due from such Unit Owner; provided, however, that such lien shall be subordinate to the lien of a prior recorded mortgage on the interest of such Unit Owner. Except as hereinafter provided, the lien provided for in this Section 10.02(c) shall not be affected by any transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure such transfer of title shall, to the extent permitted by law, extinguish the lien described in this Section 10.02(c) for any sums which became due prior to (i) the date of the transfer of title or (ii) the date on which the transferee comes into possession of the Unit, whichever occurs first. However, the transferee of a Unit Ownership shall be liable for his share of any sums with respect to which a lien against this Unit Ownership has been extinguished pursuant to the preceding sentence which are reallocated among the Unit Owners pursuant to a subsequently adopted annual revised or special assessment, and non-payment thereof by such transferee shall result in a lien against the transferee's Unit Ownership as provided in this Section 10.02(c).

(d) The Board shall have the power to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate the right of said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use, or control his Unit and thereupon an action may be filed by the Board against the defaulting Unit Owner for a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him and ordering that all the right, title and interest of said defaulting Unit Owner in the Property shall be sold at a judicial sale, upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the defaulting Unit Owner from reacquiring his interest in the Unit Ownership at such judicial sale. It shall be a condition of any such sale, and the decree shall so provide that purchaser shall take the interest in the Unit Ownership sold subject to this Declaration. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments or other sums due hereunder or any liens shall be paid to the defaulting Unit Owner. Upon the

confirmation of such sale, the purchaser at such sale shall be entitled to a deed to the Unit Ownership and to immediate possession of the Unit sold and may apply to the court for an order for possession for the purpose of acquiring such possession.

(e) In addition to or in conjunction with the remedies set forth above, the Board or its agents shall have the right to bring an action at law or in equity against the Unit Owner or occupant of the Unit as permitted by law including, without limitation, an action (i) to foreclose a lien against the Unit Ownership, (ii) for damages, injunctive relief, or specific performance, (iii) for judgment or for the payment of money and the collection thereof and for a possession order, (iv) for any combination of the remedies set forth in this Article and (v) for any other relief which the Board or court may deem necessary or appropriate. Any and all rights and remedies provided for in the act, this Declaration, the By-Laws, contractual obligation to the Board or Association undertaken by such Unit Owner, or rules and regulations promulgated by the Board may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to exercise any such rights or remedies to enforce any provisions of this Declaration, the By-Laws or rules and regulations of the Board shall in no event be deemed a waiver of the right to do so thereafter.

(f) Upon the occurrence of one of the events described in Section 10.01(a), the Board may accelerate the maturity of the remainder of installments of Common Expenses due from such defaulting Unit Owner for the balance of the assessment year.

(g) All expenses incurred by the Board in connection with any actions, proceedings or self-help in connection with the exercise of its rights and remedies under this Article, including without limitation court costs, reasonable attorneys' fees and all other fees and expenses, and all damages, together with interest thereon at the rate of eighteen percent (18%), or such lesser rate charged by law if such eighteen percent (18%) is held to be in excess of the maximum legal rate allowable by law, per annum shall be charged to and assessed against the defaulting Unit Owner, and shall be added to and deemed part of his respective share of the Common Expenses, and the Board shall have a lien for all of the same upon the Unit Ownership of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all his personal property in his Unit or located elsewhere on the Property.

10.03 Enforcement by Unit Owners. Any aggrieved Unit Owner may enforce the provisions of this Declaration, the Bylaws, or any rules and regulations promulgated by the Board by an action at law or in equity against the defaulting Unit Owner (or occupant of his Unit) upon a violation or breach described in Section 10.01(b) hereof against any person or persons either to restrain such violation or breach or to recover damages.

ARTICLE XI MISCELLANEOUS PROVISIONS RESPECTING MORTGAGES

11.01 Mortgages. The following provisions are intended for the benefit of each holder of a recorded first mortgage or trust deed encumbering a Unit Ownership ("First Mortgagee") and to the extent, if at all, that any other provisions of this Declaration conflict with the following provisions, the following provisions shall control:

(a) Upon request in writing to the Association identifying the name and address of the first Mortgagee or the insurer or guarantor of a recorded first mortgage or trust deed on a Unit ("Insurer or Guarantor") and the Unit number, the Association shall furnish each First Mortgagee, Insurer or Guarantor a written notice of any Unit Owner's obligations under this Declaration which is not cured within thirty (30) days. Any first Mortgagee of a Unit, as well as any other holder of a prior recorded mortgage on a Unit, who comes into possession of the said 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 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 Unit, whichever occurs first except for any sums which are reallocated among the Unit Owners pursuant to the sentence of Section 10.02(c) hereof.

(b) Upon request in writing, each First Mortgagee 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 without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Unit Owners at the end of each of its respective fiscal years; provided, however, that if an audited financial statement is not available, fifty-one percent (51%) or more of the First Mortgagees (by number) shall be entitled to have such an audited statement prepared at their expense;

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

(iv) to receive written notice of any decision by the Unit Owners to make a material amendment to the Declaration, By-Laws contained herein or Articles of Incorporation;

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

(vi) to receive written notice of any action which would require the consent of a specified percentage of First Mortgagees; and

(vii) to receive written notice of any judgment entered against the Association in a court with appropriate jurisdiction.

(c) No provision of this Declaration or Articles of Incorporation of the Association or any similar instrument pertaining to the Property or the Units therein shall be deemed to give a Unit Owner or any other party priority over the rights of the First Mortgagees pursuant to their mortgages in the case of distribution of insurance proceeds or condemnation awards for losses to or a taking of the Unit, and/or the Common Elements, or any portion thereof or interest therein. In such event, the First Mortgagees, Insurers or Guarantors of the Units affected shall be entitled, upon specific written request, to the timely written notice of any such loss.

(d) Unless the First Mortgagees of all of the Units which are a part of the Property have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to:

(i) by act or omission seek to abandon or terminate the condominium regime, except for abandonment provided by the Act in case of substantial loss to or condemnation of the Units and/or the Common Elements;

(ii) change the pro rata interest or obligations of any Unit Owner for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or

condemnation awards and (2) determining the pro rata share of ownership of each Unit Owner in the Common Elements, except as provided in Sections 8.02 and 8.03; or

(iii) use hazard insurance proceeds for losses to any Property (whether to Units or to Common Elements) for other than the repair, replacement, or construction of such improvements, except as provided by the Act in case of substantial loss to the Units and/or the Common Elements.

(e) Unless the First Mortgagees of the individual Units representing at least fifty-one percent (51%) of the votes in the Association have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to do or permit to be done any of the following:

(i) Adoption of an amendment to this Declaration which (aa) changes Section 10.02(c), (bb) changes Article XI or any other provision of this Declaration which specifically grants rights to First Mortgagees, (cc) materially changes insurance and fidelity bond requirements (unless fidelity bonds are not required by the Act), or (dd) adds a right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Unit Ownership or changes the provisions concerning the leasing of Units;

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

(iii) The sale of the Property;

(iv) The removal of all or a portion of the Property from the provisions of the Act and this Declaration;

(v) The modification of the provisions of this Declaration pertaining to (1) the Unit Owner's voting rights, (2) the assessment determinations or the liens that arise from the nonpayment of assessments, or (3) the creation and use of the Capital Reserve; or

(vi) the reallocation of the Unit Owner's interest in the Common Elements.

(f) Upon specific written request to the Association, each First Mortgagee, Insurer or Guarantor of a Unit shall be furnished notice in writing by the Association of any damage to or destruction or taking of the Common Elements if such damage or destruction or taking exceeds Ten Thousand Dollars (\$10,000.00), or if damages shall occur to a Unit in excess of Ten Thousand Dollars (\$10,000.00), notice of such event shall also be given.

(g) If any Unit or portion thereof or the Common Elements 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 First Mortgagee, Insurer or Guarantor of said Unit will be entitled to timely written notice, upon specific written request, or any such proceeding or proposed acquisition and no provisions of any document will entitle a Unit Owner or other party to priority over such First Mortgagee with respect to the distribution of the proceeds of any award or settlement.

(h) Whenever required, the consent of a First Mortgagee shall be deemed granted unless the party seeking the consent is advised to the contrary in writing by the First Mortgagee within thirty (30) days after making the request for consent.

If any or all of the foregoing provisions of this Section 11.01 are violated, the First Mortgagees shall retain any and all rights at law or in equity to enforce such provisions.

**ARTICLE XII
RESERVED**

**ARTICLE XIII
RESTRICTIONS ON ALIENATION**

13.01 Limits on Lease Terms. No Residential Unit shall be leased or subleased for hotel or transient purposes or terms less than six (6) months. No portion of a Unit which is less than the entire Unit shall be leased. Further, no more than thirty percent (30%), in number, of the Residential Units may, in the aggregate, be leased at any given time without the prior written consent of the Board or the managing agent of the Property acting in accordance with the Board's direction. Each lease of any one or more Units shall be in writing and a copy of every such lease, as and when executed shall be furnished to the Board. The lessee under every such lease shall be bound by and subject to all of the obligations under this Declaration and By-Laws of the Unit Owner making such lease and the failure of the lessee to comply therewith shall constitute a default under the lease which shall be enforceable by the Board or the Association, and the lease shall be deemed to expressly so provide. The Unit Owner making such lease shall not be relieved thereby from any of said obligations. Notwithstanding the foregoing, Developer and Declarant may lease any Unit owned by them for any term until such time as Developer or Declarant cease owning such Unit."

13.02 Miscellaneous. A lease of a Unit or interest therein, by Declarant or Developer shall not be subject to the provision of this Article XIII. This Section 13.02 cannot be amended or deleted without the prior written consent of Declarant and Developer, so long as Declarant owns any Units.

**ARTICLE XIV
ZONING**

14.01 Zoning. No Unit Owner shall make any alteration, addition or improvement or allow any use of their Unit or take or fail to take any action which would violate the provisions of the Village of Oak Park Zoning Ordinance, as said ordinance may be amended from time to time, including, without limitation, any planned development ordinance affecting the Property, or any similar or successor ordinance in effect from time to time hereafter and applicable to the Property or any portions thereof. No Unit Owner shall have the right to request or obtain any amendment to the Village of Oak Park Zoning Ordinance, including, without limitation, any planned development ordinance affecting the Property, or any similar or successor ordinance in effect from time to time hereafter and applicable to the Property or any portions thereof, as applicable to the Property without the consent of three-fourths (3/4) of the votes of the other Unit Owners voting on the basis of their respective percentage interests in the Common Elements as provided in Section 5.03(a) hereof."

**ARTICLE XV
GENERAL PROVISIONS**

15.01 Certain Rights of Declarant and Developer. Until the time established by this Declaration for the election of the initial Board by the Unit Owners, the rights, titles, powers, privileges, trust, duties and obligations vested in or imposed upon the Board in the Act and in this Declaration shall be held and performed by Declarant and/or Developer. If the initial Board shall not be elected by the Unit Owners at the time established by this Declaration, Declarant and/or Developer shall continue in the aforesaid office for a period of thirty (30) days after written notice of its resignation is sent to all of the Unit Owners entitled to vote at such election. In exercising such rights and the other rights reserved by Declarant and/or Developer pursuant to this Declaration, Declarant and/or Developer shall not be under any disability which would

otherwise be imposed by law by reason of Declarant's and/or Developer's interest in the subject matter of any transaction provided, however, that any transaction shall have been entered into in good faith.

15.02 Notice to Mortgagees. Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any Unit Ownership shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Unit Owner whose Unit Ownership is subject to such mortgage or trust deed.

15.03 Manner of Giving Notices. Notices provided for in this Declaration and in the Act shall be in writing and shall be addressed to the Board or Association, or any Unit Owner, as the case may be, at the Unit address of any member of the Board or any Unit Owner, as the case may be, or at such other address as herein provided. Any Unit Owner may designate a different address or addresses for notices to him by giving written notice of his change of address to the Board or Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, by facsimile with proof of transmission and a copy of the notice with proof of transmission being sent by regular mail on the date of transmission, or when delivered in person with written acknowledgment of the receipt thereof, or, if addressed to a Unit Owner, when deposited in his mailbox at such address as he may have designated pursuant hereto or, if he has not so designated, in the Building or at the door of his Unit in the Building.

15.04 Notices to Estates or Representatives. Notices required to be given any devisee, heir or personal representative of a deceased Unit Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased Unit Owner is being administered.

15.05 Conveyance and Leases. Each grantee of Declarant and each subsequent grantee by the acceptance of a deed of conveyance, and each purchaser under articles of agreement for Deed and each tenant under a lease for a Unit, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having at any time an interest or estate in the Property, and shall inure to the benefit of such Unit Owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

15.06 Reserved.

15.07 No Waivers. No covenants, restrictions, conditions, obligations or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

15.08 Change, Modification or Rescission. No provision of this Declaration affecting the rights, privileges and duties of Declarant or Developer may be modified without its written consent. The provisions of Article XI and Sections 10.02, 15.13 and the following provisions of Section 15.08 of this Declaration may be changed, modified, or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the President or a Secretary of the Board, and by all the Unit Owners and all mortgagees having bona fide liens of record against all of the Unit Ownerships. Other provisions of this Declaration may be changed, modified or rescinded as provided in Section 15.13 or by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the President or a Secretary of the Board and approved by the Unit Owners having in the aggregate, at least sixty-seven percent (67%) of the total vote at a meeting called for that purpose provided, however, that all holders of first mortgages of record have been notified by certified mail of any change, modification, or rescission, and an affidavit by the Secretary of the Board certifying to such mailing is made a part of such instrument and provided further that any provisions herein which specifically grant rights to holders of first mortgages of

record may be amended only with the written consent of all such holders of first mortgages. The change, modification or rescission shall be effective upon recordation of such instrument in the Office of the Recorder of Deeds of Cook County, Illinois; provided, however, that no such change, modification or rescission shall change the boundaries of any Unit, the allocation of percentages of ownership in the Common Elements and votes in the Association, quorum and voting requirements for action by the Association, or liability for Common Expenses assessed against any Unit, except to the extent authorized by other provisions of this Declaration or by the Act.

15.09 Partial Invalidity. The invalidity of any covenant, restriction, condition, limitation or any other provision of this Declaration, or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration.

15.10 Perpetuities and Other Invalidity. If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of George W. Bush, President of the United States.

15.11 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class condominium development. If there is any conflict between the provisions of this Declaration and the Act, the Act shall control.

15.12 Ownership by Land Trustee. If title to any Unit Ownership is conveyed to a land title holding trust, under the terms of which all powers management, operation and control of the Unit Ownership remain vested in the trust beneficiary or beneficiaries, then the Unit Ownership under such trust and the beneficiaries thereunder from time to time shall be responsible for payment of all obligation, liens or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit Ownership. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Unit Ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title of such Unit Ownership.

15.13 Special Amendment. Developer and/or Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends 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 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 Unit Ownership, (iii) to bring this Declaration in to compliance with the Act or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Developer and/or Declarant to vote in favor of, make, or consent to a Special Amendment on behalf of each 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 Unit, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to Developer and/or Declarant to vote in favor of, make, execute and record Special Amendments. The right of Developer and Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as Declarant or Developer no longer holds or controls title to a Unit.

15.14 Assignments by Developer. All rights which are specified in this Declaration to be rights of Developer are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of Developer hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of Developer hereunder as fully as if named as such party herein. No party exercising rights as Developer hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

15.15 Exculpation. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforced against Declarant, its agents or employees on account hereof or on account of any covenant, undertaking or agreement herein, either express or implied, all such personal liability, if any, being hereby expressly waived and released by every person now or hereafter claiming any right hereunder. Anything herein contained to the contrary notwithstanding, it is understood and agreed that Declarant shall have no obligation to see to the performance or non-performance of any of the covenants herein contained and shall not be personally liable for any action or non-action taken in violation of any of the covenants herein contained.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

1120 CLUB, L.L.C.,
an Illinois limited liability company

By: RSC & Associates, L.L.C.,
An Illinois limited liability company

Name: Richard S. Curto
Title: Manager

**THE 1120 CLUB
CONDOMINIUM DECLARATION**

EXHIBIT A

LEGAL DESCRIPTION OF THE PARCEL

[TO BE INSERTED]

PIN: [to be inserted]

COMMON ADDRESS: 1116 Lake Street
Oak Park, Illinois 60301

**THE 1120 CLUB
CONDOMINIUM DECLARATION**

EXHIBIT B

PLAT

