

FIRST AMENDMENT TO
DECLARATION OF CONDOMINIUM
OWNERSHIP AND OF EASEMENTS,
RESTRICTIONS AND COVENANTS
FOR LAKE RUN CONDOMINIUM,
INCLUDING BYLAWS RECORDED IN
THE OFFICE OF THE RECORDER OF
DEEDS OF COOK COUNTY, ILLINOIS
ON JUNE 13, 1978 AS DOCUMENT NO.
24489033



Doc#: 0506949128
Eugene "Gene" Moore Fee: \$56.00
Cook County Recorder of Deeds
Date: 03/10/2005 10:34 AM Pg: 1 of 17

This First Amendment to Declaration is made and entered into this 21st day of November, 2003 by the required two-thirds majority of the members of the Board of Managers of Lake Run Condominium Assn, Inc., an Illinois not-for-profit corporation. It is an amendment to that certain Declaration of Condominium Ownership and of Easements, Restrictions and Covenants for Lake Run Condominium ("Declaration"), recorded in the Office of the Recorder of Deeds of Cook County, Illinois on June 13, 1978 as Document No. 24489033 and as may have been amended from time to time.

WITNESSETH:

WHEREAS, the Declaration has submitted certain real property to the provisions of said documents which are covenants running with the land, said development being known as the Lake Run Condominiums, which property is legally described in Exhibit "A" (incorporated herein and attached hereto); and

WHEREAS, Lake Run Condominium Assn, Inc. is an Illinois not-for-profit corporation ("Association") and administers the property as set forth and described in the Declaration and By-Laws; and

WHEREAS, pursuant to Section 27(b) of the Illinois Condominium Property Act ("Act"), the Declaration may be amended to conform to the provisions of the Act by the recording of an instrument in writing setting forth such amendment approved by vote of two-thirds of the members

THIS DOCUMENT PREPARED BY AND UPON RECORDING MAIL TO:

*Charles T. VanderVennet
Fosco, VanderVennet & Fullett, P.C.
350 West Kensington #120
Mount Prospect, IL 60056*

of the Board of Managers at a meeting called for such purpose; provided, however, that the Unit Owners are allowed to petition within thirty days of the Board action approving this amendment for a meeting of the Unit Owners for the purpose of considering such Board action and, unless a majority of the votes of the Unit Owners of the Association are cast at the meeting to reject the action, the action shall be ratified whether or not a quorum is present; and

WHEREAS, this amendment to conform the Declaration with the provisions of Section 12 of the Act as amended by the Illinois General Assembly has been approved by the Board of Managers as required and either no petition was submitted by the Unit Owners for a meeting to consider the Board action approving the amendment or such action was ratified;

NOW, THEREFORE, the Association hereby declares that the Declaration be and hereby is amended as follows:

1. **The undersigned, for the purposes set forth, hereby declare that the Declaration be and hereby is amended with regard to the Index entry description for Article IX and said description is deleted in its entirety and replaced with: "Insurance".**
2. **The undersigned, for the purposes set forth, hereby declare that the Declaration be and hereby is amended with regard to Article IV, Section 8 and said section is deleted in its entirety and replaced with: "This section is intentionally left blank."**
3. **The undersigned, for the purposes set forth, hereby declare that the Declaration be and hereby is amended with regard to Article V, Sections 8(k) – (m) and said sections are deleted in their entirety and each replaced with: "This section is intentionally left blank."**
4. **The undersigned, for the purposes set forth, hereby declare that the Declaration be and hereby is amended with regard to Article IX and said article is deleted in its entirety and replaced with:**

ARTICLE IX
INSURANCE

1. The Board shall have the authority to obtain insurance for the Association as follows:
 - (a) **Property Insurance.** The Association shall obtain and maintain property insurance
 - (i) on the Common Elements and the Units, including the Limited Common Elements, the bare walls, floors and ceilings of the Unit;
 - (ii) providing coverage for special form causes of loss; and

- (iii) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements at the time the insurance is purchased and at each renewal date.

(b) General Liability Insurance.

The Association shall obtain and maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the property in a minimum amount of \$1,000,000 or a greater amount deemed sufficient in the judgment of the Board, insuring the Board, the Association, the management agent and their respective employees and agents and all persons acting as agents. The Unit Owners must be included as additional insured parties but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance must cover claims of one or more insured parties against other insured parties. Further, the Board of Managers shall notify insured persons concerning the cancellation of insurance obtained pursuant to the terms of this Section.

(c) Fidelity Bond.

- (i) The Association shall obtain and maintain a fidelity bond covering persons, including the managing agent and its employees, who control or disburse funds of the Association for the maximum amount of coverage available to protect funds in the custody or control of the Association, plus the Association reserve fund.
- (ii) All management companies hired or retained by the Association that are responsible for the funds held or administered by the Association must be covered by a fidelity bond for the maximum amount of coverage available to protect those funds.
- (iii) The Association is granted standing to make a loss claim against the bond of the managing agent as a party covered under the bond.
- (iv) For purposes of this Article IX, Section 1(c), the fidelity bond must be in the full amount of the Association funds and reserves in the custody of the Association or the management company.

- (d) Directors and Officers Coverage. The Board shall obtain and maintain directors and officers liability coverage at a level deemed reasonable by the Board. Directors and officers liability coverage must extend to all contracts and other actions taken by the Board members in their official capacity as directors and officers, but this

coverage shall exclude actions for which the Board members are not entitled to indemnification under the General Not For Profit Corporation Act of 1986 or the Declaration and By-Laws of the Association.

- (e) Other Coverage. The Association may carry such other insurance, including workers compensation, employment practices, environmental hazards, and equipment breakdown, as the Board considers appropriate to protect the Association, the Unit Owners or officers, directors or agents of the Association.
- (f) Additional Requirements. Any policies of insurance maintained by the Association pursuant to Article IX, Section 1(a) shall
 - (i) provide that such policy may not be terminated for non-payment of premiums without at least ten (10) days' prior written notice to the mortgagee of each Unit;
 - (ii) provide that the insurance, as to the interest of the Board, shall not be invalidated by any act or neglect of any Unit Owner; and
 - (iii) contain standard mortgage clause endorsements in favor of the mortgagee(s) of each Unit, if any, as their respective interests may appear.
 - (iv) provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Unit Owners elect to sell the Property or remove the Property from the provisions of the Act.

2. Contiguous Units; Improvements and Betterments. The insurance maintained pursuant to Article IX, Section 1(a) must include the Units, the Limited Common Elements (except as otherwise determined by the Board) and the Common Elements.

- (a) The insurance need not cover improvements and betterments to the Units installed by Unit Owners. Common elements include fixtures located within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed by the developer. Common Elements exclude floor, wall and ceiling coverings. "Improvements and betterments" means all decorating, fixtures and furnishings installed or added to and located within the boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters or built-in cabinets installed by Unit Owners.
- (b) The Board shall not be responsible for obtaining insurance on any additions, alterations or improvements made by a Unit Owner to his Unit unless and until such

Unit Owner shall request the Board in writing to do so, and shall make arrangements satisfactory to the Board to reimburse the Board for any additional premiums attributable thereto; and upon the failure of such Unit Owner so to do, the Board shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements.

3. Deductibles. The Board may, in the case of a claim for damage to a Unit or the Common Elements:
 - (a) pay the deductible amount as a common expense;
 - (b) after notice and an opportunity for a hearing, assess the deductible amount against the Unit Owner(s) who caused the damage or from whose Unit(s) the damage or cause of loss originated; or
 - (c) require the Unit Owners of the Units affected to pay the deductible amount.
4. Insured Parties; Waiver of Subrogation. Insurance policies maintained pursuant to Article IX, Sections 1(a) – (d) must include each of the following provisions:
 - (a) Each Unit Owner and secured party is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements or membership in the Association.
 - (b) With respect to Article IX, Sections 1(a) and 1(b), the insurer waives its right to subrogation under the policy against any Unit Owner of the condominium or members of the Unit Owner's household or their occupants and mortgagees, against the Association its officers and Board members, and against the Developer, the managing agent, their respective employees and agents.
 - (c) With respect to Article IX, Sections 1(c) and 1(d), the insurer waives its right to subrogation under the policy against any Unit Owner of the condominium or members of the Unit Owner's household, against the Association and Board members.
 - (d) The Unit Owner waives his or her right to subrogation under the Association policy against the Association and the Board.
5. Primary Insurance. If at the time of a loss under a policy maintained by the Association hereunder there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the Association's policy shall be the primary insurance.

6. Adjustment of Losses; Distribution of Proceeds. Any loss covered by the property policy under Article IX, Section 1(a) must be adjusted by and with the Association. The insurance proceeds for that loss must be payable to the Association or to an insurance trustee designated by the Association for that purpose. The insurance trustee or the Association must hold any insurance proceeds in trust for Unit Owners and secured parties as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged Common Elements, the bare walls, ceilings and floors of the Units and then to any improvements and betterments the Association may insure. Unit Owners are not entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Association has been terminated as trustee. Further, the fees of the insurance trustee shall be a Common Expense.

7. Mandatory Unit Owner Coverage.
 - (a) The Board may by rule, require the Unit Owners to obtain insurance covering their personal liability and compensatory (but not consequential) damages to another Unit caused by the negligence of the Unit Owner or his or her guests, residents or invitees or, regardless of any negligence originating from the Unit. The personal liability of a Unit Owner or Association member must include the deductible of the Unit Owner whose Unit was damaged, any damage not covered by insurance required by this Article IX as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment and other furnishings. If the Unit Owner does not purchase or produce evidence of insurance required by the Board, the Board may purchase the insurance coverage and charge the premium cost back to the Unit Owner. In no event is the Board liable to any person either with regard to its decision not to purchase the insurance or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

 - (b) Each Unit Owner shall be responsible for his own insurance on the contents of his own Unit, and his additions and improvements thereto and decorating and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability, all to the extent not covered by the Association under this Article IX.

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

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

10. Damage or Destruction and Restoration. In the event the improvements forming a part of the Property, or any portion thereof, including any Unit, shall suffer damage or destruction from any cause, the repair or restoration or reconstruction shall be undertaken as soon as possible.

(a) Such repair, restoration or reconstruction shall be in a substantial and workmanlike manner with materials comparable to those used in the original structure. In the event of substantial destruction of the Building, the architectural design of the exterior and the material used shall be the same or substantially similar to the original structure.

(b) In the event the Property or the improvements thereon so damaged or destroyed are not insured against the peril causing the loss or damage, or the insurance proceeds are not sufficient to pay the cost of repair, restoration or reconstruction, and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of the improvements within one hundred and eighty (180) days after said damage or destruction, then the provisions of the Act in such event shall apply.

11. Additional Unit Owner Requirements.

(a) Each Unit Owner hereby waives and releases any and all claims which he may have against

(i) any other Unit Owner, the Association, its officers, members of the Board, any insurance trustee, the manager and managing agent of the Building, if any, and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Unit or Common Elements, caused by fire or other casualty, theft, vandalism and each and all other causes not resulting from the wilful act of such person; and

(ii) in addition to the parties included in Article IX, Section 11(a)(i), any other occupant for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty, to the extent such damage is covered by fire or other form of casualty insurance.

(b) Nothing shall be done or kept in any Unit or in the Common Elements 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 on the Building, or contents thereof, or, which would be in violation of any law. No waste shall be committed on the Common Elements. "

Except as expressly set forth herein, the Declaration shall remain in full force and effect in accordance with its terms. The effective date of this amendment shall be deemed to be the date of recording with the Office of the Recorder of Deeds of Cook County, Illinois.

This First Amendment to Declaration is signed and acknowledged by not less than two-thirds of the members of the Board of Managers in the exercise of the power and authority conferred upon and vested in the Association and its Board of Managers. The signatories hereby warrant that they possess full power and authority to execute this instrument.

IN WITNESS WHEREOF, Lake Run Condominium Assn, Inc., an Illinois not-for-profit corporation, has caused its corporate seal to be affixed hereto and has caused its name to be signed by its President and attested by its Secretary and has caused the instrument to be signed and acknowledged by at least required number of Board members this 21st day of November 2003.

LAKE RUN CONDOMINIUM-ASSN, INC.,
an Illinois not-for-profit corporation,

BY:

Thomas J. Rozak
Its President ***

ATTEST:

Brian J. Cusack
Its Secretary ***

(SEAL)

SIGNED AND ACKNOWLEDGED BY

Claire Livoditis Karminor Lopez

Natalie Soler A.S. Zaleski

Stella P. Mann Rene Burns

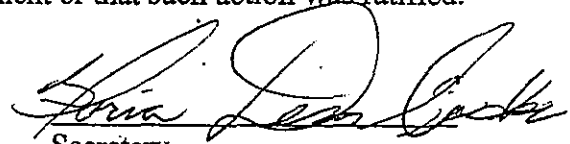
being not less than two-thirds of all of the members of the Board of Managers.

*** also signing as Board members

STATE OF ILLINOIS)
) ss.
COUNTY OF Cook)

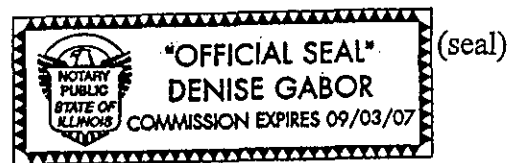
I, Gloria Dembinski, hereby certify that I am the duly elected and qualified Secretary of Lake Run Condominium Assn, Inc., an Illinois not-for-profit corporation, and as such Secretary, I am the keeper of the books and records of the Association.

I further certify that the attached First Amendment to the Declaration of Condominium Ownership was approved and duly signed and acknowledged by not less than two-thirds of all of the members of the Board of Managers as evidenced by their signatures and those of the stated officers on this document and either that no petition was submitted by the Unit Owners for a meeting to consider the Board action approving the amendment or that such action was ratified.


Secretary

Dated at Prospect Heights, IL this

21 day of November, 2003



STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, DENISE GABOR, a Notary Public in and for said county in the state aforesaid, do hereby certify that the aforesaid Board members and officers of Lake Run Condominium Assn, Inc., an Illinois not-for-profit corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day and acknowledged that they signed, sealed and delivered the same instrument as their free and voluntary act, for the uses and purposes set forth.

Given under my hand and notarial seal this 21st day of NOVEMBER 2003.


Notary Public

My commission expires:

9/3/07