

LAKE RUN CONDOMINIUM

**Declaration of Condominium Ownership
and of
Easements, Restrictions, and Covenants
For Lake Run Condominium Including By- Laws,
Pursuant to the Condominium Property Act
of the State of Illinois.**

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**DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF
EASEMENTS, RESTRICTIONS AND COVENANTS
FOR
LAKE RUN CONDOMINIUM,
INCLUDING BY-LAWS**

THIS DECLARATION made and entered into by AMALGAMATED TRUST AND SAVINGS BANK, as Trustee under Trust Number 2302, for convenience hereinafter referred to as the "Declarant", and J. S. L. PROPERTIES, INC., an Illinois corporation, the "Developer",

W I T N E S S E T H:

WHEREAS, the Declarant is the legal title holder of real estate in the County of Cook, and State of Illinois, which is legally described on Exhibit "A" attached hereto and made a part of this Declaration, and has executed the Declaration at the direction of its beneficial owner; and

WHEREAS, the above-described real estate is now improved with buildings containing residential units; and

WHEREAS, it is the desire and intention of the Developer to enable said real estate, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "property") to be owned beneficially by Developer and by each successor in interest of Developer, under that certain type or method of ownership commonly known as "CONDOMINIUM", and to submit the property to the provisions of the "Condominium Property Act" (hereinafter called the "Act") of the State of Illinois, as amended from time to time; and

WHEREAS, the Declarant and the Developer have elected to establish, for the benefit of such Developer and for the mutual benefit of all future owners or occupants of the property, or any part thereof, certain easements and rights in, over and upon said premises, and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct, and maintenance thereof; and

WHEREAS, the Developer desires to provide for the possible addition to the Property (as hereinafter defined) at a subsequent date of certain additional Parcels of real estate; and

WHEREAS, the Developer has further elected to declare 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 their interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote the protect the cooperative aspect of ownership and to facilitate the proper administration of such property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the property,

NOW, THEREFORE, the Developer, as the beneficial title holder of the real estate hereinbefore described, and for the purposes above set forth, DECLARES AS FOLLOWS:

ARTICLE I DEFINITIONS

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

Declaration: This instrument by which the property is submitted to the provisions of the Condominium Property Act of the State of Illinois, and such Declaration as from time to time amended.

Parcel: The tract of real estate described in Exhibit A.

Future Development Parcel: That tract of real estate identified in Article II pertaining to possible future construction of enclosed garages.

Building: All structures attached or unattached located on the Parcel containing the Units.

Property: All the land, property and space comprising the Parcel and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all fixtures, equipment and furnishings intended for the mutual use, benefit or enjoyment of the unit owners.

Unit: A part of the Property designed and intended for independent use.

Common Elements: All portions of the Property, except the Units, including Limited Common Elements.

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

Parking Area: That part of the Common Elements provided for parking automobiles, outside of the Buildings.

Parking Space: A part of the Property within the Parking Area intended for the parking of a single automobile.

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

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

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

Majority or Majority of the Unit Owners: The owners of more than 50% in the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided ownership.

Plat: Plat or plats of survey of the Parcel and of all Units in the Property submitted to the provisions of this Act, which may consist of a three-dimensional horizontal and vertical delineation of all such Units.

Record: To record in the office of the Recorder of Deeds or, whenever required, to file in the office of the Registrar of Titles of the county wherein the Property is located.

Condominium Instruments: All documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the Declaration, Bylaws and Plat.

Common Expenses: The proposed or actual expenses affecting the Property, including Reserves, if any, lawfully assessed by the Board of Managers of the Unit Owners' Association.

Reserves: Those sums paid by Unit Owners which are separately maintained by the Board of Managers for purposes specified by the Board of Managers or the Condominium Instruments.

Unit Owners' Association or Association: The association of all the Unit Owners, acting pursuant to Bylaws through its duly elected Board of Managers.

Purchaser: Any person or persons other than Developer who purchase a Unit in a bona fide transaction for value.

Developer: Any person who submits property legally or equitably owned by him to the provisions of the Act, or any person who offers Units legally or equitably owned by him for sale in the ordinary course of his business, including any successor or successors to such Developer's entire interest in the Property other than the purchaser of an individual Unit.

Limited Common Elements: A portion of the Common Elements so designated in the Declaration as being reserved for the use of a certain Unit or Units to the exclusion of other Units, including, but not limited to balconies, terraces and patios.

ARTICLE II **UNITS**

1. **Description and Ownership.** All Units in the Buildings located on the Parcel are delineated on the surveys attached hereto as Exhibit "B" and made a part of this Declaration, and are legally described in Exhibit "C" attached hereto and made a part of this Declaration. It is understood that each Unit consists of the space enclosed or bounded by the horizontal and vertical planes set forth in the delineation thereof in Exhibit "B". The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown in Exhibit "B" and as set forth in this Declaration. 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. Except as provided by the Act, no unit Owner shall, by deed, plat or otherwise, subdivide or in any other manner cause his Unit to be separated into tracts or parcels different from the whole Unit as shown on Exhibit "B".

2. Certain Structures Not Constituting Part of a Unit. No Unit shall include any land bearing structural components and any pipes, wires, conduits, or utility lines running through a Unit and serving more than one Unit and all of the above shall expressly be deemed common elements.

3. Property ("Future Development Parcel") Retained by Developer and Excluded from the Common Areas. The Developer shall retain as a "Future Development Parcel" approximately 1,323 feet by 40 feet located on the Western side of the parcel as shown on the Plat of Survey which shall be excepted from the Common Areas by Developer for subsequent construction of enclosed garages depending on occupant demand, legally described as:

The West 40 feet of the East 40 Acres of the West Half of the Northeast Quarter of Section 24, Township 42 North, Range 11, East of the Third Principal Meridian, Lying South of the North Line of the South Half of the Northwest Quarter, in Cook County, Illinois.

4. Property Retained by Developer As Units for Office and Commercial Use. The Developer shall retain approximately 1,500 square feet of existing and vacant office space located adjacent to the main lobby of the building for office and possible commercial use; said existing and vacant office space has been designated as Unit 100(S) and shall bear its proportionate share of Common Maintenance Expenses and Real Estate Taxes.

5. Property Assigned to the Common Areas with Contract Rights Reserved to Developer. All designated laundry areas located in the buildings shall be assigned to the common areas for unrestricted use subject to a 10 year management contract between the Lake Run Condominium Association and Developer; said contract is to provide that twenty percent (20%) of the gross receipts from the leased laundry equipment shall be paid quarterly to the Lake Run Condominium Association.

ARTICLE III COMMON ELEMENTS

1. Description. Except as otherwise in this Declaration provided, the Common Elements shall consist of all portions of the Property except the Units. Without limiting the generality of the foregoing, the Common Elements shall include the land, outside walks and driveways, swimming pool, bath house, tennis court, landscaping, stairways, entrances, hallways, and exits, laundry rooms, storage rooms, structural parts of the Building, pipes, ducts, flues, chutes, conduits, wires and other utility installations serving more than one Unit, such component parts of walls, floors, and ceilings as are not located within the Units and any other areas of the Buildings not included in the Units.

2. Ownership of Common Elements. Each Unit Owner shall own an undivided interest in the Common Elements as a tenant in common with all the other Unit Owners of the Property, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements (except the Limited Common Elements) for all purposes incident to the use and occupancy of his Unit as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with his Unit. The extent or amount of such ownership shall be expressed by a percentage amount and, once determined, shall remain constant, and may not be changed without unanimous approval of all Unit Owners. The Developer has so determined each Unit's corresponding percentage of ownership in the Common Elements as set forth in Exhibit "D" attached hereto.

LIMITED COMMON ELEMENTS

1. Description. Except as otherwise in this Declaration provided, Limited Common Elements shall consist of those portions of the Common Elements contiguous to and serving exclusively a single Unit or adjoining Units as an inseparable appurtenance thereto and including patios and balconies. Each Limited Common Element is identified on the Plat by the distinguishing number or other symbol of the Unit or Units to which it is assigned. The Board, as hereinafter defined, may designate other portions of the Common Elements as Limited Common Elements. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements serving his Unit exclusively and as determined by the Board.

2. Transfer of Limited Common Elements. Every deed, lease, mortgage or other instrument which shall convey an interest in a Unit shall be deemed good and sufficient to convey also the right to the exclusive use and possession of the Limited Common Elements serving the Units.

ARTICLE IV
GENERAL PROVISIONS AS TO UNITS
AND COMMON ELEMENTS

1. Submission of Property to "Condominium Property Act." The property identified on Exhibit A is hereby submitted to the provisions of the "Condominium Property Act" of the State of Illinois.

2. 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.

3. Easements.

(a) Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any portion of the Common Elements or any other Unit as a result of the construction, repair, reconstruction, settlement or shifting of any Building, a value mutual easement shall exist in favor of the owners of the Common Elements and the respective Unit Owners involved to the extent of the encroachment. A value easement shall not exist in favor of any Unit Owner who creates an encroachment by his intentional, wilful or negligent conduct or that of his agent.

(b) Utility Easements. Illinois Bell Telephone Company, Commonwealth Edison Company, Village of Prospect Heights, Northern Illinois Gas Company and all other public utilities successors and assigns presently serving the Property are hereby granted the right to lay, construct, renew, operate

and maintain conduits, cables, wires, pipes, transformers, switching apparatus and other equipment into and through the Common Elements for the purpose of providing utility services to the Property.

(c) Parking. The Parking Area on the Parcel shall be part of the Common Elements. All motor vehicles must be parked in the Parking Area. The Board of Managers, hereinafter described, may prescribe such rules and regulations with respect to the Parking Area as it deems proper and may assign specific parking spaces to Unit Owners.

(d) Easements to Run with Land. All easements and rights described in this Declaration are easements appurtenant, running with the land, perpetually in full force and effect, and at all times 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. References 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 Declaration shall be sufficient to create and reserve such easements and rights to the 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. Storage or Locker Areas. Storage or locker areas in the Building outside of the respective Units shall be part of the Common Elements; provided however, the Board reserves the right on or after sale or conveyance of all Unit Ownerships, to assign to any Unit Owner the use of one or more storage or locker areas.

5. Separate Mortgages of Units. Each Unit Owner shall have the right to mortgage or encumber his own respective Unit, together with his respective ownership interest in Common Elements. No Unit Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the Property or any part thereof, except his own Unit and his own respective ownership in the Common Elements as aforesaid.

6. Separate Real Estate Taxes. It is intended 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. In the event that, for any year, such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements.

7. Utilities. Each Unit Owner shall pay for his own telephone, electricity and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common expenses.

8. Insurance; Unit Owners. 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 fire and liability insurance for all of the Unit Owners obtained as part of the Common Expenses pursuant to Article 5.08 hereof.

The Board shall not be responsible for obtaining insurance on any additions, alterations or improvements made by any Unit Owner to his Unit unless and until such Unit Owner shall request the Board in writing so to do, and shall make arrangements satisfactory to the Board to reimburse the Board for any additional premiums attributable thereto; and upon the failure to 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.

Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner, the Association, its officers, members of the Board, the 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.

9. Maintenance, Repairs and Replacements of Units.

(a) By the Board: 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, interior wall, ceiling and floor surfaces. In addition, the Association shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services and any other common elements which may be located within the Unit boundaries as specified in Article III, Sections 1. and 2. , 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 Owner under any other provision of this Declaration.

(b) By the Owner: Except as otherwise provided in paragraph (a) above, each Unit Owner shall furnish and be responsible for, at his own expense:

(1) All of the maintenance, repairs and replacements within his own Unit and of the doors and windows appurtenant thereto, and all internal installations of such Unit as refrigerators, ranges and other kitchen appliances, lighting fixtures and other electrical fixtures, heating, plumbing and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the Unit or Units owned by such Unit Owner, and heating and air conditioning equipment and appliances located on a balcony or patio outside of or adjoining his Unit, provided, however, such maintenance, repairs, and replacements as may be required to or on the Common Elements for the functioning of the plumbing within the Unit, and for the bringing of water, gas, or electricity to the Unit, shall be furnished by the Board as part of the Common Expenses. The Board or Association may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Building personnel as a Common Expense.

(2) All of the decorating within his own Unit from time to time, including painting, wall papering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. In order to enhance the soundproofing of the Buildings, the floor covering for all occupied Units shall meet the minimum standards as may be specified by rules and regulations of the Board. Each Unit Owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of his Unit as shown on the Plat, and such Unit Owner shall maintain such portions in good condition at his sole expense as may be required from time to time, which maintenance and use shall be subject to the rules and regulations of the Board or Association

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. Decorating of the Common Elements (other than interior surfaces within the Units as provided above), and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements shall be furnished as part of the Common Expenses by the Association. Nothing herein contained shall be construed to impose a contractual liability upon the Association for maintenance, repair and replacement, and the Association's liability shall be limited to damages resulting directly from its 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 Property, nor because they may become entitled to the benefit of any construction guarantee or proceeds under policies of insurance. In addition and notwithstanding anything hereinabove to the contrary, no Unit Owner shall have a claim against the Board, Association or another Unit Owner for any work which ordinarily is 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 writing in advance by the Board.

10. Negligence of Owner. If, due to the wilful act or omission of a Unit Owner, or of 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 or Units 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 determined by the Board.

11. Joint Facilities. To the extent that equipment, facilities and fixtures within any Unit or Units 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 Owners shall be subject to the rules and regulations of the Board. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Buildings, 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.

12. Alterations, Additions and Improvements. No alterations of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board, and shall at all times be subject to the provisions of the Declaration.

ARTICLE V ADMINISTRATION

1. Developer's Rights. Until election of the initial Board of Managers, the same rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board of Managers by the Act and in the Declaration and Bylaws shall be held and performed by the Developer. The election of the initial Board of Managers shall be held not later than sixty (60) days after the conveyance by the Developer of 75% of the Units or three (3) years after the recording of the Declaration, whichever is earlier. If the initial Board of Managers is not elected by the Unit Owners at the time so established, the Developer shall continue in office for a period of thirty (30) days whereupon written notice of his resignation shall be sent to all of the Unit Owners entitled to vote at such election.

2. Administration of Property. The direction and administration of the Property shall be vested in a Board of Managers (hereinafter referred to as the "Board"), consisting of persons who shall be appointed by the Developer, until such time as its control is terminated pursuant to Section 1 of this Article, and thereafter shall be elected in the manner hereinafter provided. Each member of the Board, except for persons appointed by the Developer, shall be one of the Unit Owners or a spouse of an Owner.

3. Unit Owners' Association. The Unit Owners' Association is responsible for the overall administration of the Property through its duly elected Board of Managers. Each Unit Owner shall be a member of the Association. The Association, whether or not it is incorporated, shall have the powers specified in the General Not for Profit Corporation Act, approved July 17, 1943, as amended, which are not inconsistent with the Act. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Act or in the Condominium Instruments.

4. Voting Rights. There shall be one class of membership in the Association. 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 Unit Owners of a Unit Ownership, or may be some person designated by such Unit Owner or Unit Owners to act as proxy on his or their behalf and who need not be a Unit Owner. Such designation shall be made in writing to the Board and 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 Unit Owners. Any or all of such Unit Owners may be present at any meeting of the voting members and (those constituting a group acting unanimously) may vote or take any other action as a voting member either in person or by proxy. The total number of votes of all voting members shall be 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 "D" and any amendments thereto. Developer shall be the voting member with respect to any Unit Ownerships owned by the Developer.

5. Meetings.

(a) The Unit Owners shall receive written notice of the initial Unit Owners' meeting and any subsequent Unit Owners' meeting which notice shall be mailed to Unit Owners no less than ten (10) days and no more than thirty (30) days prior to the date of the meeting. The notice shall set forth the time, place and purpose of such meeting. Thereafter, there shall be an annual meeting of the voting members in the month of September following such initial meeting, and in the month of September of each succeeding year at such reasonable time or date as may be designated by written notice of the Board delivered to the voting members no less than ten (10) days and no more than thirty (30) days prior to the date fixed for said meeting.

(b) Unit Owners shall hold an annual meeting, one of the purposes of which shall be to elect the members of the Board of Managers.

(c) Special meetings of the voting members may be called at any time. Said meetings shall be called by written notice, authorized by the President of the Board, a majority of the Board, or by 20% of the Unit Owners, and delivered not less than ten (10) days and not more than

thirty (30) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting and the matters to be considered.

(d) Meetings of the voting members shall be held at the Property, or at such other place as may be designated in any notice of a meeting. No action may be taken at any meeting of the voting members without the presence in person or by proxy of a Majority of the total votes, which shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members upon the affirmative vote of at least fifty one percent of the votes represented at such meeting.

6. Notices of Meetings. Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote at such meetings, addressed to each person at the address given by him to the Board for the purpose of service of such notice, 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.

7. Board of Managers

(a) At the initial meeting after Developer's control has terminated, pursuant to Section 1 of this Article, the voting members shall elect the initial Board which shall consist of nine members and who shall hold office until the first annual meeting. In all elections for members of the Board, each voting member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of vacancies to be filled shall be deemed to be elected. A majority of the total number of members on the Board shall constitute a quorum. At the first annual meeting, nine (9) Board members shall be elected. The four persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two years, and the five persons receiving the next highest number of votes shall be elected to the Board for a term of one year. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of two years each. Officers and Board members may succeed themselves. Members of the Board shall receive no compensation for their services, unless expressly allowed by the voting members present at an annual meeting or at a special meeting of the voting members called for such purpose. 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.

(b) The Board shall elect from among its members a President who shall preside over both its meetings and those of the Unit Owners and who shall be the chief executive officer of the Board and the Association; a Secretary who shall keep the minutes of all meetings of the Board and the Unit Owners and who shall, in general, perform all the duties incident to the office of Secretary; a Treasurer, who shall keep the financial records and books of account; and such additional officers as the Board shall see fit to elect. The Secretary shall be designated as the person to mail and receive all notices provided for in the Act and in the Condominium Instruments. The President, and the Secretary or Treasurer shall execute any amendments to the Condominium Instruments as provided for in the Act or in the Condominium Instruments.

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

(d) The Board shall meeting at least four (4) times annually.

(e) Meetings of the Board may be called by any officer of the Board or by twenty (20%) percent of the Board members by delivering written notice to the members of the Board not less than five (5) days prior to the date of the meeting or such longer time as may be required by law. All meetings of the Board shall be open to attendance by any Unit Owner and notices of such meetings shall be mailed or posted not less than 48 hours prior to such meeting, unless written waiver of such notice is signed by the person entitled to such notice prior to the convening of such meeting. No action may be taken at any meeting of the Board of Managers without the presence in person of a majority of the Members of the Board. Any action may be taken at any meeting of the Board of Managers upon the affirmative vote of a majority of the members of the Board present at such meeting. All meetings of the Board of Managers shall be open to any Unit Owner.

8. General Powers and Duties of the Board. The Board of Managers 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 of Managers shall include, but shall not be limited to, the following matters:

- (a) Operation, care, upkeep, maintenance, replacement and improvement of the Common Elements.
- (b) Preparation, adoption and distribution of the annual budget for the Property.
- (c) Levying of assessments.
- (d) Collection of assessments from Unit Owners.
- (e) Employment and dismissal of a managing agent, if any, and of the personnel necessary or advisable for the maintenance and operation of the Common Elements.
- (f) Obtaining adequate and appropriate kinds of insurance.
- (g) Owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by it.
- (h) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property.
- (i) Having access to each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common Elements therein or thereon or accessible therefrom, or for making emergency repairs therein necessary to prevent damages to the Common Elements or to other Unit or Units.
- (j) Providing water, waste removal, gas, electricity, telephone and other necessary utility service for the Common Elements and (if not separately metered or charged) for the Units.
- (k) Insuring the Common Elements and the Units against loss or damage by the perils of fire, lightning and those contained in the extended coverage

vandalism and malicious mischief endorsements, for the full insurable replacement cost of the Common Elements and the Units with policies written in the name of, and the proceeds thereof shall be payable to, the Members of the Board, as trustees for each of the Unit Owners, in the percentages established in Exhibit "D" as amended from time to time. 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.

All such policies of insurance (1) shall contain standard mortgage clause endorsements in favor of the mortgagee or mortgagees of each Unit, if any, as their respective interests may appear, (2) shall provide that the insurance, as to the interest of the Board, shall not be invalidated by any act or neglect of any Unit Owner, (3) shall contain an endorsement to the effect that such policy shall not be terminated for non-payment of premiums without at least ten days' prior written notice to the mortgagee of each Unit, (4) shall contain a clause or endorsement whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the Developer, the managing agent, their respective employees and agents, and Unit Owners, members of their households, occupants and mortgagees; or all of those parties shall be named as additional insureds, (5) shall 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, and (6) shall contain a "Replacement Cost Endorsement".

Notwithstanding the issuance of standard mortgage clause endorsements, any losses under such policies of insurance shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed in accordance with the provisions of this Declaration and the Act; provided, however, that if the Board or the Insurance Trustee, if any, fails to perform all of the conditions precedent required by the policy or policies of insurance, and fails to collect the amount of the loss within the time re-

quired by law, and any mortgagee or mortgagees are required to avail themselves of their rights under the standard mortgagee clause to collect the proceeds of the policy or policies of insurance, any amounts so collected through the efforts of said mortgagee or mortgagees shall be applied as directed by said mortgagee or mortgagees. The Board may engage the services of a bank or trust company authorized to do trust business in Illinois and having a capital of not less than \$5,000,000.00 to act as Insurance Trustee and to receive and disburse the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of this Declaration. In the event the lowest of three bids from reputable contractors for making all repairs required by any such loss shall exceed \$50,000.00, the Board, upon written demand of the mortgagee of any Unit, shall engage the services of an Insurance Trustee as aforesaid. The fees of such Insurance Trustee shall be Common Expenses.

(l) The Board of Managers or the managing agent, if any, shall have the authority and duty to obtain comprehensive liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements in amounts, if any, specified by the Condominium Instruments or otherwise deemed sufficient in the judgment of the Board of Managers, insuring the Developer and Unit Owners, individually and severally, the Board of Managers, the Unit Owners' Association, the managing agent, and their respective employees, agents, and all persons acting as agents. The insurance shall cover claims of one or more insured parties against other insured parties. The insurance shall contain a waiver of any rights to subrogation by the insurance company against any of the above named persons. The Board of Managers shall notify insured persons concerning the cancellation of insurance obtained pursuant to the terms of this Section.

(m) Obtaining workmen's compensation insurance as may be necessary to comply with applicable laws and other forms of insurance as the Board in its judgment shall elect to effect.

(n) On the authorization by the affirmative vote of not less than a majority of the Unit Owners at a meeting duly called for such purpose, or upon such greater votes as may be required by the Bylaws, the Board, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with the assessment or levy of any taxes, special assessments or charges and may employ the services of any person or firm to act on its behalf in connection therewith, and to charge and collect all expenses incurred in connection therewith as Common Expenses.

(o) Landscaping, gardening, snow removal, painting, cleaning, tuck-pointing, maintenance, decorating, repair and replacement of the Common Elements, (but not including balconies, patios, windows, storm windows, patio doors and screens, if any, or the interior surfaces of the Units, all of which the Unit Owners of each Unit shall for their Unit maintain and be responsible for) and such furnishings and equipment for the Common Elements as the Board may determine are necessary and proper.

(p) The Board has the power to obtain and pay for any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board is required to secure or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as a first class residential condominium community or for the enforcements of these restrictions.

(q) 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 specially assessed to said Unit Owners.

(r) Maintaining and repairing any Unit if such maintenance or repair is necessary, in the discretion of the Board, to protect the Common Elements or any other portion of the Building, and 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 levy a special assessment against such Unit Owner for the cost of said maintenance or repair.

(s) The Board's powers hereinabove enumerated shall be limited in that the Board shall not enter into any contracts having a term of more than three years and shall have no authority to acquire and pay for out of the maintenance fund 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) requiring an expenditure in excess of \$10,000.00, without in each case the prior approval of the voting members holding a majority of the total votes.

(t) All agreements, contracts, deeds, leases, and other similar 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.

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

(v) The Developer has the right to engage the initial management organization under a contract expiring not later than two years after the recording of this Declaration. Thereafter, the Board may annually engage the services of an agent to manage the Property to the extent deemed advisable by the Board.

(w) The Board's powers hereinabove numerated shall be limited in that the Board may not:

(i) Merge or consolidate the Association;

(ii) Sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of the property and assets of the Association; or

(iii) Purchase or sell land or Units on behalf of all Unit Owners;

without in each case the prior approval of the voting members holding not less than 2/3 of the total vote at a special meeting of Unit Owners called for such purpose.

9. Liability. The members of the Board and Developer shall not be personally liable to the Unit Owners or others for any mistake of judgment or for any acts or omissions made in good faith on behalf of the Owners. The Unit Owners shall indemnify and hold harmless each of the members of the Board and Developer against all contractual liability to others arising out of contracts made by the Board or Developer on behalf of the Unit Owners, unless any such contract shall have been made

in bad faith or contrary to the provisions of this Declaration. It is intended that the liability of any Unit Owner arising out of any contract made by the Board of the Developer or out of the aforesaid indemnity in favor of the members of the Board and the Developer 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 the Unit Owners in the Common Elements. Every agreement made by the Board, the Developer or the managing agent on behalf of the Unit Owners shall provide that they 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.

ARTICLE VI COMMON EXPENSES - MAINTENANCE FUND

1. Each year on or before November 1st 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, together with a reasonable amount, if any, considered by the Board to be necessary for a Reserve for contingencies and replacements, and shall on or before December 1st notify each Unit Owner in writing as to the amount of such estimate by sending to such Unit Owner a budget, with reasonable itemization and containing each Unit Owner's respective assessment provided, however, that each budget shall be furnished to each Unit Owner at least 30 days prior to its adoption by the Board. Said Common Expenses 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 "D". On or before January 1st of the ensuing year, and the 1st of each and every month of said year, each Unit Owner jointly and severally shall be obligated to pay to the Board or as it may direct, one-twelfth of the assessment made pursuant to this paragraph. On or before the date of the annual meeting of each calendar year, the Board shall supply to all Unit Owners an itemized accounting of the Common 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 Common Expenses plus Reserve, if any. When directed by the Board, any amount accumulated in excess of the amount required for actual Common Expenses and Reserves shall be credited to each Unit Owner according to each Unit Owner's percentage of ownership in the Common Elements and any net shortage shall be added, according to each Unit Owner's percentage of ownership in the

Common Elements, to future assessments as determined by the Board. Each Unit Owner shall receive notice, in the same manner as is provided in the Act for membership meetings, of any meeting of the Board of Managers concerning the adoption of the proposed annual budget or any increase, or establishment of an assessment.

2. The Board may build up and maintain a reasonable Reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year, shall be charged first against such Reserve. If said charges for Common Expenses prove inadequate for any reason, the Board may at any time levy a further assessment, which shall be assessed to the Unit Owners according to each Unit Owner's percentage ownership in the Common Elements. The Board shall serve notice of such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become payable with the next monthly maintenance payment which is due more than ten days after the delivery or mailing of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount.

3. At the time the sale of each Unit is closed, the Unit Owner shall pay to the Association, the prorata share of the monthly assessment for the month of the closing.

4. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on a 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 next monthly maintenance payment which is due more than ten days after such new annual or adjusted estimate shall have been mailed or delivered.

5. The Board shall keep books of account of the receipts and Common Expenses affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Upon ten 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. The

records and the vouchers authorizing the payments shall be available for examination by the Unit Owners at convenient hours of week days.

6. 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 pre-paid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit "D" as amended.

7. If any Unit Owner shall fail or refuse to make any such payment of the Common Expenses when due, the amount thereof shall constitute a lien on the interest of such Unit Owner in the Property, and upon the recording of notice thereof by the managing agent or Board of Managers shall be a lien upon such Unit Owner's interest in the Property 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 this State and other State or Federal taxes which by law are a lien on the interest of such Unit Owner prior to preexisting recorded encumbrances thereon and (b) First Mortgages owned or held by a bank, insurance company or savings and loan association or other person or entity engaged in the business of making real estate loans on the interest of such Unit Owner recorded prior to the date such notice is recorded, which by law would be a lien thereon prior to subsequently recorded encumbrances, except as to the amount of Common Expenses or user charges which become due and payable from and after the date on which the said mortgage owner or holder either takes up possession of the Unit, accepts a conveyance of any interest therein (other than as security) or files a suit to foreclose its mortgage. Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of his encumbrance.

Such lien for Common Expenses shall be in favor of the members of the Board of Managers and their successors in office and shall be for the benefit of all other Unit Owners, and may be foreclosed by an action brought in the name of the Board of Managers in like manner as a

mortgage of real property. Unless otherwise provided in this Declaration, the members of the Board of Managers and their successors in office, acting on behalf of the other Unit Owners, shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

8. Amendments to this Article VI shall only be effective upon unanimous written consent of the Owners, and their Mortgagees. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Unit.

ARTICLE VII
COVENANTS AND RESTRICTIONS
AS TO USE AND OCCUPANCY

The Units and Common Elements shall be occupied and used as follows:

- (a) No Unit, other than Unit 100(S), shall be used for other than residential purposes. Each Unit (other than the aforementioned Unit) shall be used as a residence for a single family by the Unit Owner and his family or by a person or single family to whom the Unit Owner shall have sold under contract or leased his Unit subject to the provisions in this Declaration and for no other purpose.
- (b) There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Board except as herein expressly provided. Each Owner shall be obligated to maintain, keep in good order and repair his own Unit.
- (c) 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.
- (d) Each Unit Owner shall be responsible for his own insurance on his personal property in his own Unit, his personal property stored elsewhere on the Property and his personal liability to the extent not covered by the liability insurance for all the Unit Owners obtained by the Board as hereinbefore provided.

(e) Unit Owners shall not cause or permit anything to be placed on the outside walls of the Building and no awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior consent of the Board.

(f) The use and the covering of the interior surfaces of the windows appurtenant to the Units in the Building, whether by draperies, shades or other items visible from the exterior of the Building, shall be subject to the rules and regulations of the Board. Air conditioning units may, however, be installed in the windows of the Units.

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

(h) Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Buildings or which would structurally change the Buildings except as is otherwise provided herein.

(i) No clothing, sheets, blankets, laundry, or other articles shall be hung or exposed on any part of the Common Elements, or which may be visible from the outside (other than draperies, curtains or shades, subject to the rules and regulations of the Board). The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(j) There shall be no storage of baby carriages, play pens, bicycles, wagons, toys, or any other items on any part of the Common Elements except in areas designated by the Board and subject to the rules and regulations of the Board.

(k) No industry, business trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designated for profit, altruism, exploitation, or otherwise, shall be conducted, maintained or permitted in any Unit, except Unit 100(S), which Unit is reserved for office and possible commercial use.

(l) The restriction in paragraphs (a) and (k) of the Article VII shall not, however, be construed in such a manner as to prohibit a Unit Owner from (1) maintaining his personal professional library therein; (2) keeping his personal, business or professional records or accounts therein; or (3) handling his personal, business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to the principal residential use and not in violation of paragraphs (a) and (k) of this Article.

(m) No signs, advertising or other displays shall be maintained or permitted on any part of the Property except at such location and in such forms as shall be determined by the Board. The right is reserved by the Developer and its agents, to maintain on the Property until the sale of the last Unit, all models, sales offices, and advertising signs or banners, if any, and lighting in connection therewith together with the right of ingress and egress and transient parking therefor through the Common Elements.

(n) Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(o) Use of balconies and patios shall be subject to the rules and regulations at the Board.

(p) Pets: No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that dogs, cats, or other household pets may be kept in Units, subject to rules and regulations adopted by the Board, provided that they are not kept, bred, or maintained for any commercial purpose; and provided further that any such pet causing or creating in the opinion of the Board a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days' written notice from the Board.

The Board shall adopt and enforce strict maintenance procedures relating to ingress and egress of pets from the building and use of the common areas. The Board shall also have the power to prohibit the keeping of any animals of any kind if it determines in its discretion that the policy of pet regulation proves unworkable or unenforceable.

ARTICLE VIII
SALE, LEASING OR OTHER ALIENATION

1. **Sale or Lease.** Any Owner, other than the Trustee or its beneficiary, who wishes to sell or lease his Unit Ownership (or any lessee of any Unit wishing to assign or sublease such Unit) to any person not related by blood or marriage to the Owner (including the beneficiary of any Unit held in trust) shall give to the Board of Managers no less than thirty (30) days' prior written notice of the terms of any contemplated sale or lease, together with the name and address of the proposed purchaser or lessee, and its or their financial and character references. The Board, acting on behalf of the other Unit Owners as hereinafter provided, shall at all times have the first right and option to purchase or lease such Unit Ownership upon the same terms as the proposed sale or lease, which option shall be exercisable for a period of forty-five (45) days following the date of receipt of such notice. If the Board shall fail to take affirmative action within said forty-five (45) day period, the Board shall be deemed to have waived its option hereunder. If said option is not exercised by the Board within the aforesaid option period, or if said option is properly waived, the Owner (or Lessee) may, at any time within sixty (60) days after such waiver or the expiration of said period (whichever shall first occur) contract to sell or lease (or sublease or assign) such Unit Ownership to the proposed purchaser or lessee named in such notice upon the terms specified therein, and if he fails to close said proposed sale or lease transaction within said sixty (60) days, his Unit Ownership shall again become subject to the Board's right of first option as herein provided.

2. **Gift.** Any Owner, other than the Trustee, who wishes to make a gift of his Unit Ownership or any interest therein to any person or persons who would not be heirs at law of the Owner under the Rules of Descent of the State of Illinois were he or she to die within ninety (90) days prior to the contemplated date of such gift, shall give to the Board not less than ninety (90) days' written notice of his or her intent to make such gift prior to the contemplated date thereof, together with the name and address of the intended donee and the contemplated date of said gift. The Board, acting on behalf of the Unit Owners as hereinafter provided, shall at all times have the first right and option to purchase such Unit Ownership or interest therein

for cash at fair market value to be determined by arbitration as herein provided, which option shall be exercisable until the date of expiration as provided herein. Within fifteen (15) days after receipt of said written notice by the Board, the Board and the Owner desiring to make such gift shall each appoint a qualified real estate appraiser to act as arbitrators. The two arbitrators so appointed shall, within ten (10) days after their appointment, appoint another qualified real estate appraiser to act as the third arbitrator. Within fifteen (15) days after the appointment of said arbitrator, the three (3) arbitrators shall determine, by majority vote, the fair market value of the Unit Ownership or interest therein which the Owner contemplates conveying by gift, and shall thereupon give written notice of such determination to the Owner and the Board. The Board's option to purchase the Unit Ownership or interest therein shall expire forty-five (45) days after the date of receipt by it of such notice.

3. Devise. In the event any Owner dies leaving a Will devising his or her Unit Ownership, or any interest therein, to any person or persons not heirs at law of the deceased Owner under the Rules of Descent of the State of Illinois, and said Will is admitted to probate, the Board and their successors in office, acting on behalf of the Unit Owners as hereinafter provided, shall have a like option (to be exercised in the manner hereinafter set forth) to purchase said Unit Ownership or interest therein either from the devisee or devisees thereof named in said Will, or, if a power of sale is conferred by said Will upon the personal representative named therein, from the personal representative acting pursuant to said power, for cash at fair market value which is to be determined by arbitration. Within sixty (60) days after the appointment of a personal representative for the estate of the deceased Owner, the Board shall appoint a qualified real estate appraiser to act as an arbitrator, and shall thereupon give written notice of such appointment to the said devisee or devisees or personal representative, as the case may be. Within fifteen (15) days thereafter, said devisee or devisees, or personal representative, as the case may be, shall appoint a qualified real estate appraiser to act as an arbitrator. Within ten (10) days after the appointment of said arbitrator, the two so appointed shall appoint another qualified real estate appraiser to act as the third arbitrator. Within fifteen (15) days thereafter, the three arbitrators shall determine, by majority

vote, the fair market value of the Unit Ownership or interest therein devised by the deceased Owner, and shall thereupon give written notice of such determination to the Board, and said devisee or devisees, or personal representative, as the case may be. The Board's right to elect to purchase the Unit Ownership or interest therein at the price determined by the three arbitrators shall expire sixty (60) days after the date of receipt by it of such notice if the personal representative of the deceased Owner is empowered to sell, and shall expire eight (8) months after the appointment of a personal representative who is not so empowered to sell. The Board shall be deemed to have exercised its option if it tenders the required sum of money (directly or in escrow, pending title clearance) to said devisee or devisees or to said personal representative, as the case may be, within the said option periods. Nothing herein contained shall be deemed to restrict the right of the Board or its authorized representative, pursuant to authority given to the Board by the Owners as herein-after provided, to bid at any sale of the Unit Ownership or interest therein of any deceased Owner held pursuant to an order or direction of the Court having jurisdiction over that portion of the deceased Owner's estate which contains his or her Unit Ownership or interest therein.

4. Involuntary Sale. In the event any Unit Ownership or interest therein is sold at a judicial or execution sale (other than a mortgage foreclosure sale), the person acquiring title through such sale shall, before taking possession of the Unit so sold, give forty-five (45) days' written notice to the Board of his intention so to do, whereupon the members of the Board of Managers and their successors in office, acting on behalf of consenting Unit Owners as hereinafter provided, shall have an irrevocable option to purchase such Unit Ownership or interest therein at the same price for which it was sold at said sale. If said option is not exercised by the Board within thirty (30) days after receipt of such notice, it shall thereupon expire and said purchaser may thereafter take possession of said Unit. The Board shall be deemed to have exercised its option if it tenders the required sum of money (directly or in escrow pending title clearance) to the purchaser within said thirty (30) day period.

In the event any owner shall default in the payment of any monies required to be paid under the provisions of any mortgage or trust deed against his Unit Ownership, the Board shall have the right to cure

such default by paying the amount so owing to the party entitled thereto, and shall thereupon have a lien therefor against such Unit Ownership, which lien shall have the same force and effect and may be enforced in the same manner as provided in Article VI.

5. Transfer of Option Rights to Single Unit Owner or Group of Owners. Any right to purchase or lease which the Board may have or obtain under the provisions of this Article may be transferred, with the consent of the Unit Owners, as hereinafter provided, to one or more of the Unit Owners so as to enable the said Unit Owner or Owners to acquire the subject Unit or interest as a personal investment, provided that the Board is reasonably assured that such Unit Owner or Owners have the financial capacity to undertake such purchase or lease and will fulfill the requirements of said purchase or lease within all stipulated time periods.

6. Consent of Voting Members. The Board shall not exercise any option hereinabove set forth to purchase any Unit Ownership or interest therein, or transfer its rights to any single Unit Owner or group of Unit Owners, without the prior written consent of the Voting Members holding at least seventy-five percent (75%) of the voting rights in the Association, and whose Unit Ownerships are not the subject matter of such option. The Board may bid to purchase a Unit Ownership or interest therein at any sale held pursuant to an order or direction of a court upon the prior written consent of the aforesaid Voting Members, which said consent shall set forth a maximum price which the Board of Managers is authorized to bid and pay for said Unit Ownership or interest therein.

7. Release, Waiver and Exceptions to Option. Upon the consent of a majority of the Board members, any of the options contained in this Article VIII may be released or waived, and the Unit Ownership or interest therein which is subject to an option set forth in this Article may be sold, conveyed, leased, given or devised free and clear of the provisions of this Article. In addition, none of the options contained in this Article VIII shall be applicable to any sales, leases, or sub-leases to purchasers, lessees or sublessees procured by or through the Trustee (or its beneficiary) for its (or their) own account.

8. Proof of Termination of Option. A certificate executed and acknowledged by the acting President or Secretary of the Board, stating that the provisions of this Article VIII as hereinabove set forth have been met by an Owner, or duly waived by the Board, and that the rights of the Board hereunder have terminated, shall be conclusive upon the Board and the Owners in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner who has, in fact, complied with the provisions of this Article have been waived, upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

9. Financing of Purchase Under Option. (a) Acquisition of Unit Ownerships or any interests therein under the provisions of this Article shall be made from the maintenance fund. If said fund is insufficient, the Board shall levy an assessment against each Owner (other than the transferors) in the ratio that his percentage of ownership in the Common Elements as set forth in Exhibit "B" bears to the total of all such percentages applicable to Units subject to said assessment (thus, excluding the percentage of any Unit Ownership being the subject of the purchase), which assessment shall become a lien and be enforceable in the same manner as provided in Article VI.

(b) The Board, in its discretion, may borrow money to finance the acquisition of any Unit Ownership or interest therein authorized by this Article; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit Ownership or interest therein to be acquired. The loan documents evidencing such borrowing may be executed by the members of the Board, a nominee of the Board, or by a land trust of which the Board shall be the beneficiary.

10. Title to Acquired Interests. Unit Ownerships or interests therein acquired pursuant to the terms of this Article shall be held of record in the name of the members of the Board and their successors in office, or such nominee as they shall designate, for the benefit of all the Owners. Said Unit Ownerships or interest therein shall be sold or leased by the Board in such manner as it shall determine. All proceeds of such sale and/or leasing shall be deposited in the maintenance fund and credited to each Owner in the same proportion in which the Board could levy a special assessment under the terms of Section 9(a) above.

11. Obligations Concerning Unpaid Assessments and Reserves. In a voluntary transfer of a Unit, the transferees of the Unit shall be jointly and severally liable with the transferor for all unpaid assessments against the latter up to the time of transfer, without prejudice to the transferee's right to recover from the transferor the amounts paid by the transferee therefor. However, any such transferee shall be entitled to a statement from the Board or President, or managing agent of the Association, as the case may be, setting forth the amount of the unpaid assessments against the transferor due the Association and such transferee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any such assessments which became due and payable prior to the date of the statement, in excess of the amount therein set forth. Upon transfer of the legal title to or beneficial interest in a Unit, unless there is an agreement to the contrary approved by the Board, any reserves or other funds of the transferor held by or subject to the control of the Association shall be transferred on the books of the Association to the credit of the transferee of the Unit.

12. Exceptions to Board's Right of First Refusal. The Board's right of first refusal as provided in Sections 1, 2 and 3 hereof shall not apply and shall not be exercisable: to any sale, lease, gift, devise or other transfer by Trustee, any person who now is or hereafter shall be a beneficiary of Trustee (whether or not Trustee is then in existence), or any trust beneficially owned or corporation or partnership controlled by one or more of said beneficiaries of Trustee; nor to the spouse of any issue of an Owner; nor to transfers solely between a trust and its beneficiary; nor to any foreclosure sale arising out of any purchase money obligation secured by a mortgage on a Unit Ownership.

ARTICLE IX.

DAMAGE OR DESTRUCTION AND RESTORATION

1. 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 proceeds of any policy or policies insuring against such loss or damage, and payable

by reason thereof, shall be used to pay the cost of repair or restoration or reconstruction which shall be undertaken as soon as possible and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds in payment thereof. 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.

2. Insufficient Insurance. 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 "Condominium Property Act" in such event shall apply.

ARTICLE X SALE OF THE PROPERTY

1. Voluntary Sale of Property. The Owners by affirmative vote of at least seventy-five percent (75%) of the voting rights in the Association, may elect to sell the Property as a whole at any meeting called for that purpose. 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; provided, however, that any Unit Owner who did not vote in favor of such action and who has filed written objection thereto and with the Board within twenty (20) days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the value of his interest, as determined by a fair appraisal, less the amount of any unpaid assessments or charges due and owing from such Unit Owner. In the absence of agreement on an appraiser, and two so selected shall select a third, and the fair market value, as

determined by a majority of the three so selected shall control. If either party shall fail to select an appraiser, then the one designated by the other party shall make the appraisal. In making such appraisal, the appraiser shall disregard any increment or detriment to the value of the interest of the objecting party resulting from the availability or possibility of a sale of the Property. The Unit Owners shall select one licensed appraiser and the Board shall select the other licensed appraiser.

ARTICLE XI
REMEDIES FOR BREACH OF COVENANTS,
RESTRICTIONS AND REGULATIONS

1. Abatement and Enjoinment. Any default under the provisions of the Act or the violation of any restriction or condition or regulation adopted by the Board, or the breach of any covenant or provision herein contained, shall give the Board and the Developer the right, in addition to the rights set forth in the next succeeding section: (a) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Developer or its successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. All expenses of the Developer or the Board in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of eight percent (8%) per annum until paid, shall be charged to and assessed against such default Unit Owner, and shall be added to and deemed part of his respective share of 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 of his personal property in his Unit or located elsewhere on the Property. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

2. Involuntary Sale. If any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or

the regulations adopted by the Board, and such violation shall continue after notice in writing from the Board, or shall occur repeatedly after written notice or request to cure such violation from the Board, then the Board shall have the power to issue to the defaulting Unit Owner a ten-day notice in writing to terminate the rights 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 in equity may be filed by the members of the Board against the Unit Owner or Occupant for a decree of mandatory injunction against the Unit Owner or Occupant or, subject to the prior consent in writing of any mortgagee having a security interest in the Unit Ownership of the defaulting Unit Owner, which consent shall not be unreasonably withheld, in the alternative a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him on account of the breach of covenant, and ordering that the title, right and interest of the Unit Owner in the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Unit Owner from re-acquiring his interest in the Property at such judicial sale. 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 proceedings 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 hereunder of any liens, shall be paid to the Unit Owner. Upon confirmation of such sale, the purchaser at said 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 a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall provide that the purchaser shall take the interest in the Property sold subject to this Declaration.

ARTICLE XII INCORPORATION OF ASSOCIATION

1. Formation of Association. The Trustee, upon the sale of one or more Units, and prior to the election of the first Board of Managers, and the Board at any time thereafter, may cause to be incorporated

a not-for-profit corporation under the laws of the State of Illinois to be called The Lake Run Condominium Association or a name similar thereto, to facilitate administration and operation of the Property. Upon the formation of such Association, every Owner shall be a member therein, which membership shall terminate upon the sale or other disposition by such member of this Unit Ownership, at which time the new Owner shall automatically become a member therein. Unless and until modified, the provisions of Articles V, VI, VII, and VIII hereof shall be the by-laws of such corporation. Any beneficiary of Trustee, and his or her appointees, may be the incorporator of such corporation and such persons shall have the right to elect the first Board thereof.

ARTICLE XIII GENERAL PROVISIONS

1. 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.
2. Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner, Occupant, the Association, the Board and its officers and members, the Developer, the managing agent, and all of their respective employees and agents, 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.
3. Notices provided for in this Declaration and in the Act shall be in writing, and shall be addressed to the Board or any Unit Owner (at his Unit address), as the case may be. The Board may designate a different address for notices to them, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may also designate an address for notices to him by giving written notice of his change of address to the Board. Notices shall be deemed delivered when mailed by United States registered or certified mail

or when delivered in person with written acknowledgement of the receipt thereof, or, if addressed to a Unit Owner, when deposited in his mailbox in the Building or at the door of his Unit in the Building.

4. Each grantee of the Developer, by the acceptance of a deed of conveyance, or each purchaser under a Condominium Purchase Agreement or Articles of Agreement for Condominium Deed, 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 any interest or estate in the Property, and shall inure to the benefit of such Unit Owner in like manner as though the provisions of the Declaration were recited and stipulated at length in each and every deed of conveyance.

5. 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.

6. The Condominium Instruments may be changed, modified, or rescinded by an instrument in writing setting forth such change, modification, or rescission, signed and acknowledged by simple majority of the Board, approved by the affirmative vote of the Unit Owners having at least three-fourths of the total vote and their mortgagees and containing an affidavit by an officer of the Board certifying that a copy of the change, modification or rescission has been mailed by certified mail to all mortgagees having bona fide liens of record against any Unit Ownership, no less than ten (10) days prior to the date of such affidavit. 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 or, if required, upon filing in the Office of the Registrar of Titles of Cook County, Illinois; provided, however, that no provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act. Except to the extent authorized by other provisions of the Act, no amendment to the Condominium Instruments shall change the boundaries of any

Unit or the undivided interest in the Common Elements, the number of votes in the Unit Owners' Association, or the liability for Common Expenses appertaining to a Unit.

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

8. 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 or 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 the President of the United States, Jimmy Carter.

9. 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 residential condominium community.

10. In the event title to any Unit Ownership is conveyed to a land titleholding trust, under the terms of which all powers of 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 obligations, 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 titleholding 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 transfer of the beneficial interest of any such trust or any transfers of title of such Unit Ownership.

11. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any question or interpretation or application of the provisions of the Declaration, the determination thereof by the Board shall be binding and final as to each of said Unit Owners.

12. The Developer certifies that prior to the execution of any agreements for the sale of any Units, the Developer has given notice of intent to all persons who are tenants of the Building on or before _____, in accordance with Chapter 30, Section 330 of the Condominium Property Act. The Developer further certifies that it has recorded with the Recorder of Deeds of Cook County, Illinois, a Notice of Intent to Submit Real Estate to Condominium Property Act, a copy of which is attached hereto as Exhibit "E" and made a part hereof.

13. Articles V, VI, VII and VIII of this Declaration shall hereafter constitute the By-Laws of the Association.

ARTICLE XIV
FUTURE DEVELOPMENT PARCEL

1. The Developer reserves the right, but shall be under no obligation, from time to time within five (5) years of the date of the recording of this Declaration, by executing and recording an amendment to this Declaration ("Amendment") to annex to the Property and thereby add to the condominium created by this Declaration, all or any portion of the following described real property:

The West 40 feet of the East 40 Acres of the West Half of the Northeast Quarter of Section 24, Township 42 North, Range 11, East of the Third Principal Meridian, Lying South of the North Line of the South Half of the Northwest Quarter, in Cook County, Illinois.

which real property is hereinafter referred to as the "Future Development Parcel". No rights of any character whatever within the Future Development Parcel attach to any Owner except as to that portion described in the recorded Amendment annexing and adding such portion to this Declaration as part of the condominium created by this Declaration.

2. In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Developer, John S. Livaditis, as attorney-in-fact, to shift the percentages of ownership in the Common Elements appurtenant to each Unit to the percentages set forth in such Amendment recorded pursuant to this Section. Each deed, mortgage or other instrument with respect to a Unit and the acceptance thereof shall be deemed a grant and acknowledgement of and consent to such power to said attorney-in-fact and shall be deemed to reserve to him the power to shift and reallocate from time to time the percentages of ownership in the Common Elements appurtenant to each Unit to the percentages set forth in each such recorded Amendment.

3. Each Owner of a Unit by acceptance of a deed thereto, further acknowledges, consents and agrees, as to such recorded Amendment that is recorded, as follows:

(a) The Portion of the Future Development Parcel described in such Amendment shall be governed in all respects by the provisions of this Declaration.

(b) The percentage of ownership in the Common Elements appurtenant to each Unit shall automatically be shifted and reallocated to the extent set forth in such recorded Amendment and upon the recording of such Amendment, the amount by which such percentage appurtenant to a Unit is reduced, as set forth in such recorded Amendment, shall thereby be released and divested from such Unit Owner and reconveyed and reallocated among the other Unit Owners as set forth in such recorded Amendment.

(c) Each deed, mortgage or other instrument affecting a Unit shall be deemed given subject to the conditional limitation that the percentage of ownership in the Common Elements appurtenant to each Unit shall, upon the recording of such Amendment, be divested pro tanto to the reduced percentage set forth in such Amended Declaration and vested among the other Owners, mortgagees and others owning an interest in the other Units in accordance with the terms and percentages of such recorded Amendment.

(d) A right of revocation is hereby reserved by the grantor in each such deed, mortgage or other instrument of a Unit to so amend and reallocate the percentages of ownership in the Common Elements appurtenant to each Unit.

(e) The percentage of ownership in the Common Elements appurtenant to each Unit shall include and be deemed to include any additional Common Elements annexed hereto by a recorded Amendment and each deed, mortgage or other instrument affecting a Unit shall be deemed to include such additional Common Elements and the ownership of any such Unit and Lien of any such mortgage shall automatically include and attach to such additional Common Elements as such Amendment is recorded.

(f) Each Owner shall have a perpetual easement, appurtenant to his Unit, for the use of any additional Common Elements annexed thereto by and described in any recorded Amendment, for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the Owners of specific Units as may be provided in any such Amendment.

(g) The recording of each such Amendment shall not alter the amount of the lien for expenses assessed to a Unit prior to such recording.

(h) Each Owner by acceptance of the deed conveying his Unit, agrees for himself and all those who claim under him, including mortgagees, that this Declaration and such Amendment is in accordance with the Condominium Property Act of Illinois, as amended from time to time, and for purposes of this Declaration and the Condominium Property Act, any changes in the respective percentages of ownership in the Common Elements as set forth in each such Amendment shall be deemed to be made by agreement of all Unit Owners.

(i) The Developer reserves the right to amend this Declaration in such manner without the consent of any owner or owners, but in the event such consent of any owner or owners may ever be required by any title company or governmental or administrative agency, each Owner hereby agrees to and shall execute and deliver such documents, as may be necessary or desirable to cause the provisions of this Article XIV to comply with the Act as it may be amended from time to time.

(j) The foregoing provisions of this Declaration and deeds and mortgages of the Units and Common Elements contain and will contain clauses designed to accomplish a shifting of the Common Elements. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Elements can be accomplished.

(k) The construction of enclosed garage spaces shall be supervised by a registered Architect and shall be compatible with the design and construction of the Condominium Buildings. The addition of garage spaces shall, however, not create any new Condominium Units within the Condominium Development Parcel.

This Instrument is executed by Amalgamated Trust and Savings Bank, not in its individual corporate capacity, but as Trustee as aforesaid, and it is expressly agreed that nothing herein contained shall be construed as creating any liability on said Amalgamated Trust and Savings Bank in its individual corporate capacity with respect to any warranty or representation contained in this instrument, or to perform any covenant, either express or implied, herein contained, all such liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or interest hereunder, and the parties hereto and such other persons shall accept this instrument upon the express condition that no duty shall rest upon said Amalgamated Trust and Savings Bank, either in its individual corporate capacity, or as said Trustee, to collect, receive, sequester or retain for any purpose the rents, issues and profits arising from the property hereinabove described or the property or funds at any time subject to said Trust Agreement, or the proceeds arising from the sale or other disposition of any such property, or to continue as such Trustee, or to retain any right, title or interest in or to the property hereinabove described or in or to any part or all of the property or funds at any time subject to said Trust Agreement.

AMALGAMATED TRUST AND SAVINGS BANK,
Not Individually but as Trustee under Trust
No. _____ executed solely as Declarant
and not as Developer pursuant to a Direction
of its Beneficiary

ATTEST:

Assistant Secretary

By _____
Vice President

IN WITNESS WHEREOF, the said AMALGAMATED TRUST AND SAVINGS BANK, as Trustee under Trust Number _____, has caused its corporate seal to be affixed hereunto and has caused its name to be signed to these presents by its _____ President and attested by its _____ Secretary, this _____ day of _____, 1978.

AMALGAMATED TRUST AND SAVINGS BANK,
As Trustee under Trust No. _____

By _____
Vice President

ATTEST:

Assistant Secretary

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said county, in the state aforesaid, do hereby certify, that _____, a Vice President of Amalgamated Trust and Savings Bank and _____, an Assistant Secretary of said banking corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said banking corporation, as Trustee, for the uses and purposes therein set forth; and the said Assistant Secretary did also then

and there acknowledge that he, as custodian of the corporate seal of said banking corporation, did affix the said corporate seal of said banking corporation to said instrument as his own free and voluntary act, and as the free and voluntary act of said banking corporation as Trustee, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 1978.

Notary Public

association to said consent as his own free and voluntary act, and as the free and voluntary act of said savings and loan association, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 1978.

Notary Public

My Commission Expires:

**EXHIBIT A TO THE
DECLARATION OF CONDOMINIUM OWNERSHIP
FOR
LAKE RUN CONDOMINIUM**

That part of the East 40 Acres of the West Half of the Northwest Quarter of Section 24, Township 42 North, Range 11, East of the Third Principal Meridian, Lying South of the North Line of the South Half of the Northwest Quarter (Except the West 40 feet thereof), in Cook County, Illinois.

**EXHIBIT C TO THE
DECLARATION OF CONDOMINIUM OWNERSHIP
FOR
LAKE RUN CONDOMINIUM**

As delineated on survey of the following described parcel of real estate which survey is attached as Exhibit "B" to the Declaration of Condominium Ownership made by Amalgamated Trust and Savings Bank, as Trustee under Trust No. 2302; and recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. _____, as described as follows:

That part of the East 40 Acres of the West Half of the Northwest Quarter of Section 24, Township 42 North, Range 11, East of the Third Principal Meridian, Lying South of the North Line of the South Half of the Northwest Quarter (Except the West 40 feet thereof), in Cook County, Illinois,

Together with a percentage of common elements appurtenant to said Unit as set forth in said Declaration, as amended from time to time, which percentage shall automatically change in accordance with amended declarations as same are filed of record, pursuant to said Declaration and together with additional common elements as said amended declarations are filed of record, in the percentages set forth in such amended declarations, which percentages shall automatically be deemed to be conveyed effective on the recording of each such amended declaration as though conveyed hereby.

**SUPPLEMENTAL BY-LAWS
OF THE
LAKE RUN CONDOMINIUM ASSOCIATION, INC.**

ARTICLE I. MEMBERSHIP

Section 1. There has heretofore been organized in Illinois a not-for-profit corporation known as the LAKE RUN CONDOMINIUM ASSOCIATION, INC. This corporation has been organized under the provisions of the General Not For Profit Corporation Act of the State of Illinois, and will hereinafter be referred to as the "Corporation". These By-Laws supplement the Declaration of Condominium and the By-Laws incorporated therein.

The Corporation shall have one class of members. The designation of such class of members and the qualifications of the members of such class shall be as follows:

Each Unit Owner of any condominium built on the site shall be a member of this Corporation. This membership shall terminate upon the sale or other disposition of such member's unit, at which such time the new Unit Owner shall become a member of the Corporation. Such termination shall not relieve or release any such former Unit Owner from any liability or obligation incurred under or in any way connected with his or her Unit Ownership, during the period of such Unit Ownership, and membership in this Corporation. Furthermore, such termination of Unit Ownership shall not impair any rights or remedies which the Board of Directors of this Corporation, or others, may have against such former owner and

member arising out of, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto. The Corporation may issue certificates evidencing membership therein.

Section 2. The rights of membership are subject to the payment of all assessments levied by the Corporation, the obligation of which assessments is imposed against each owner of and becomes a lien upon the unit against which such assessments are made.

ARTICLE II. VOTING

Section 1. Regardless of the number of owners of an individual unit, there shall be only one vote per unit, except as hereinafter provided in Section 3 of this Article which pertains to election of the Board of Directors of the Association. In the case of an individual or individuals owning more than one unit, then they shall be entitled to one vote for each unit so owned.

Section 2. No unit vote may be fractionalized or divided in the event there is more than one person who is the owner of the unit. The unit vote shall be exercised as if the Unit Owners consisted of only one person in accordance with the proxy or other designation made by the members constituting such Unit Ownership, and filed with the Corporation.

Section 3. In all elections for directors every member entitled to vote shall have the right to cumulate his vote and to give one candidate a number of votes equal to his vote multiplied by the number of directors to be elected, or to distribute such votes on the same principle among as many candidates as he shall see fit.

Section 4. The provisions contained herein relative to voting rights constitute an amendment to the original By-Laws as contained in the Declaration of Condominium Ownership.

ARTICLE III. PURPOSES AND POWERS

The Corporation has been organized for the purpose of facilitating the administration and operation of all condominiums built on the site, the common areas and the recreational areas, to the end that the comfort, health, safety and welfare of all Unit Owners and their families in the entire site is promoted and maintained. Among the powers of the Corporation will be the power to own, operate, maintain, insure, keep and repair all mains, plants, facilities and equipment for the production, purchase, treatment, distribution and sale of water for use by present and future members of the Corporation; together with recreational and commercial facilities built or to be built on the Future Development Parcel, together with any other facilities incidental to the foregoing, as provided in Article V, Section 8 of the Declaration. The operation of the Corporation shall be consistent with the purposes set forth in the Articles of Incorporation thereof.

ARTICLE IV. MEETINGS OF MEMBERS

Section 1. **Annual Meeting.** The Unit Owners shall receive written notice of the initial Unit Owners' meeting in accordance with the notice provisions as hereinafter provided. Thereafter, an annual meeting of the members shall be held in the month of September of each succeeding year at such reasonable time or date as may be designated by written notice of the Board delivered to the voting members in accordance with the notice provisions as

hereinafter provided. One of the purposes of said annual meeting shall be to elect directors and to transact such other business as may come before the meeting. If the election of directors shall not be held at the time designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members called as soon thereafter as may be convenient. Alternatively, the Board of Directors may provide for the election of directors by mail in lieu of the annual meeting of Unit Owners.

Section 2. Special Meeting. Special meetings of the members may be called at any time. Said meetings shall be called by written notice authorized by the president or by the Board of Directors, a majority of the Board, or by not less than 20% of the members, the notice for which shall specify the matters to be considered at such special meeting.

Section 3. Place and Time of Meeting. All meetings of the Unit Owners shall take place at the Property designated, or at such other place as may be designated in any notice of a meeting.

Section 4. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, addressed to each person at the address given by him to the Board for the purpose of service of such notice, 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. Said notice shall be delivered not less than ten nor

more than thirty days before the date of such meeting, by or at the direction of the president or the secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these By-Laws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 5. Quorum. The members holding a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members upon the affirmative vote of at least fifty-one percent of the votes represented at such meeting.

Section 6. Proxies. At any meeting of members, a member entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. The designation of a proxy shall be made in writing to the Board and 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 Unit Owners.

Section 7. Order of Business.

- (a) Proof of notice of meeting or waiver of notice
- (b) Reading of minutes of preceding meeting
- (c) Reports of officers
- (d) Reports of Board of Directors
- (e) Reports of Committees
- (f) Unfinished business
- (g) New business
- (h) Adjournment

ARTICLE V. BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Election. Until the date of the first annual meeting of the members as hereinabove provided, the number of Directors shall be nine (9), who shall be the directors named in the Articles of Incorporation. In all elections for members of the Board, each voting member shall be entitled to vote on a cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of vacancies to be filled shall be deemed to be elected. At the first annual meeting, nine (9) Board members shall be elected. The five persons receiving the highest number of votes at the first annual meeting shall be elected to the Board for a term of two years, and the four persons receiving the next highest number of votes shall be elected to the Board for a term of one year. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of two years each. Officers and Board members may succeed themselves.

Section 3. Duties, Powers, etc. of the Board. The Board of Directors shall be vested with and shall possess all of the rights, powers, options, duties and responsibilities as are provided for in the Declaration.

Section 4. Regular Meetings. The Board shall meet at least four (4) times annually. The regular meetings of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as the annual meeting of members, and at such other times and places as the Board of Directors may provide by regulations.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by any officer of the Board or by twenty (20%) percent of the Board members by delivering written notice to the members of the Board not less than five (5) days prior to the date of the meeting or such longer time as may be required by law.

Section 6. Open Board Meetings. All meetings of the Board shall be open to attendance by any Unit Owner and notices of such meetings shall be mailed or posted not less than 48 hours prior to such meeting, unless written waiver of such notice is signed by the person entitled to such notice prior to the convening of such meeting.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting. Except as otherwise provided in the Declaration or the By-Laws, 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.

Section 9. Removal. Any Board member may be removed from office by affirmative vote of the voting members having at least two-thirds of the total votes, at any special meeting called for such purpose.

Section 10. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the remaining Board of Directors.

Section 11. Compensation. No compensation shall be paid to directors for their services as directors unless expressly allowed by the voting members present at an annual meeting or at a special meeting of the voting members called for such purpose. No remuneration shall be paid for a director for services performed by him for the Corporation in any other capacity.

ARTICLE VI. OFFICERS

Section 1. Officers. The officers of the Corporation shall be a president, vice president, treasurer, and a secretary.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at one of the regular meetings of the Board of Directors from among the members of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Vacancies

may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and qualified.

Section 3. Removal. Any officer elected by the Board of Directors may be removed by a majority vote of the Board of Directors.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The president shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with or without the secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, contracts, or other instruments which the Board of Directors have authorized to be executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President. In the absence of the president or in the event of his inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents, in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers and be subject to all the restrictions upon the

president. Any vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 7. Treasurer. The treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of the By-Laws; keep the financial records and books of account; and in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 8. Secretary. The secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-Laws; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

ARTICLE VII. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer and countersigned by the president of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VIII. RULES AND REGULATIONS

The Board of Directors shall promulgate, and cause to be distributed to each Unit Owner, rules and regulations concerning the use

of the lake and other recreational facilities controlled by the Corporation. Such rules and regulations may be amended or altered, from time to time, as the Board deems necessary to insure the highest quality operation and use of those facilities.

ARTICLE IX. BOOKS AND RECORDS

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

ARTICLE X. FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December.

ARTICLE XI. SEAL

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Illinois".

ARTICLE XII. WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the General Not For Profit Act of Illinois or under the

provisions of the Articles of Incorporation or By-Laws of the Corporation, or the Declaration, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII. AMENDMENTS TO BY-LAWS

Until the date of the first annual meeting of the members, these By-Laws may be altered, amended or repealed, and new By-Laws may be adopted, by the affirmative vote of a majority of the directors in office. From and after the date of the first annual meeting of the members, these By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the affirmative vote of 66-2/3% of all of the members at a regular meeting or at any special meeting.

ARTICLE XIV. LIABILITY AND INDEMNITY

The Board of Directors and officers thereof shall not be liable to the Unit Owners for any acts or omissions made in good faith as directors or officers. Such directors and officers shall have no personal liability with respect to any contract made by such directors or officers on behalf of the Unit Owners, unless any such contract shall have been made in bad faith or contrary to the provisions of these By-Laws or the Declaration.

ARTICLE XV. CONSTRUCTION

(a) The Declaration of Condominium Ownership and these By-Laws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property.

(b) All words and terms used herein which are also used in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

ARTICLE XVI. MANAGEMENT

The Board shall engage the services of a manager, or managing agent who shall manage and operate the Site for the benefit of all of the members, upon such terms and for such compensation and with such authority as the Board may approve. However, the Board and the members agree that the Managing Agent shall be J. S. L. PROPERTIES, INC. for a period not to exceed two (2) years from the date of recording of the Declaration of Condominium Ownership.