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DECLARATION OF CONDOMINIUM PURSUANT TO THE CONDOMINIUM PROPERTY ACT JAYDEN COURT CONDOMINIUMS

This Declaration made and entered into this <u>/8</u> day of March, 2009, by Brian T. Schuette and Kent W. Schuette (hereinafter sometimes referred to as the "Developer"):

WITNESSETH:

WHEREAS, the Developer is the owner in fee simple of certain real estate, hereinafter described, in Quincy, Adams County, Illinois; and

WHEREAS, the Developer intends to and does hereby submit the real estate, together with all buildings, structures, improvements, and other permanent fixtures of whatsoever kind thereon, all rights and privileges belonging or in anywise pertaining thereto, and any and all easements appurtenant thereto, to the provisions of the Illinois Condominium Property Act; and

WHEREAS, the Developer desires to establish certain rights and easements in, over, and on the real estate for the benefit of itself and all future owners of any part of the real estate, and any unit or units thereof or therein contained, and to provide for the harmonious, beneficial, and proper use and conduct of the real estate and all units; and

WHEREAS, the Developer desires and intends that the several Unit Owners, mortgagees, Occupants, and other Persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of and shall 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 and protect the cooperative aspect of the Property and are established for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Property.

NOW, THEREFORE, the Developer declares as follows:

- <u>1. Definitions.</u> Certain words and terms used in this Declaration are defined as follows:
 - a. Act The Condominium Property Act of the State of Illinois, as amended from time to time.
 - b. Association The Association of all the Unit Owners acting pursuant to the Bylaws attached hereto as Exhibit C, through its duly elected Board.
 - c. Board The Board of Managers of the Association as constituted at any time and from time to time. In the event the Association is incorporated, the "Board" shall mean the Board of Directors of the incorporated Association.

- d. Building All structures, attached or unattached, located on the Property, containing one or more Units.
- e. Bylaws The Bylaws of the Association, which are attached hereto as Exhibit C.
- f. Common Elements All portions of the Property except the Units, including, without limiting the generality of the foregoing, the Parcel, stairways, corridors, roofs, storage areas, refuse collection system, and structural parts of the improvements on the Parcel, wherever located.
- g. Common Expenses The proposed or actual expenses affecting the Property, including Reserves, if any, lawfully assessed by the Board.
- h. Condominium Instruments All documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the Declaration, Bylaws, and Plat.
- i. Developer Brian T. Schuette and Kent W. Schuette, and their successors and assigns, or such other Persons as they may from time to time designate. The Developer is the Developer of the Property as defined in the Act. For purposes hereof, any receiver or mortgagee in possession with respect to the entire interest shall be entitled to exercise all rights of the Developer during the period of its receivership or possession as mortgagee in possession, as the case may be.
- j. First Mortgagee An owner of a bona fide first mortgage or first trust deed covering any portion of the Property.
- k. Initial Board of Managers The first Board, the majority of the members of which are Unit Owners other than the Developer.
- l. Limited Common Elements That part of the Common Elements contiguous to and serving a single Unit exclusively as an inseparable appurtenance thereto, including specifically those portions of the perimeter walls, floors and ceilings, windows and doors, and all fixtures and structures therein that lie outside the Unit boundaries, driveways, patios, pipes, ducts, flues, shafts, electrical wiring or conduits, or other system or component parts thereof that serve a Unit exclusively to the extent that such system or component part is located outside the boundaries of a Unit.
- m. Maintenance Fund All money collected or received by the Association pursuant to the provisions of the Condominium Instruments.
- n. Majority or Majority of the Unit Owners The owners of more than 50 percent in the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners means that percentage in the aggregate in interest of the undivided ownership.

- o. Occupant A person or persons, other than a Unit Owner, in possession of a Unit.
- p. Parcel The lot or lots or tract or tracts of land, described in Paragraph 2 hereof, submitted to the provisions of the Act.
- q. Person A natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.
- r. Plat A plat or plats of survey of the Parcel and of all Units in the Property submitted to the provisions of the Act, which shall consist of the three-dimensional, horizontal, and vertical delineation of all such Units and such other data as may be required by the Act.
- s. Property All land, property, and space comprising the Parcel, all improvements and structures erected, constructed, or contained therein or thereon, including the Building and all easements, rights, and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit, and enjoyment of the Unit Owners, submitted to the provisions of the Act.
- t. Record; Recordation; Recording; Recorded To record or have recorded in the Recorder's Office of Adams County, Illinois.
- u. Reserves Those sums paid by the Unit Owners that are separately maintained by the Board for purposes specified by the Board or the Condominium Instruments.
- v. Unit Any part of the Property designed and intended for any type of independent use and designated on the Plat as a Unit.
- w. Unit Owner The Person or Persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit and its appurtenant undivided ownership interest in the Common Elements.
 - x. Additional Land --- The lots or tracts of land described as follows:

A part of the Southeast Quarter of Section 8 in Township 2 South of the Base Line and in Range 8 West of the Fourth Principal Meridian, Adams County, Illinois, being more particularly described as follows:

- Lots, 1, 2, 3, 4, 5, 7, 8 and 9 of Jayden Court Condominium Subdivision, a subdivision of a part of the Southeast Quarter of said Section 8 as recorded in Book 709 at Page 1997 in the Office of the Adams County Recorder of Deeds.
- **2.** Legal Description of Parcel. The Parcel hereby submitted to the provisions of the Act is legally described as follows:

A part of the Southeast Quarter of Section 8 in Township 2 South of the Base Line and in Range 8 West of the Fourth Principal Meridian, Adams County, Illinois, being more particularly described as follows:

Lot 6 of Jayden Court Condominium Subdivision, a subdivision of a part of the Southeast Quarter of said Section 8 as recorded in Book 709 at Page 1997 in the Office of the Adams County Recorder of Deeds, containing 0.484 acres, more or less.

3. Description of Units. All units are delineated on the Plat attached hereto as Exhibit D and made a part of this Declaration. The legal description of each Unit shall consist of the identifying number or symbol of the Unit as shown on the Plat. The Units are legally described on Exhibit A attached hereto and made a part hereof.

4. Use and Ownership of the Common Elements.

- a. The use of the Common Elements, and the rights of the Unit Owners with respect thereto, shall be subject to and governed by the Act, the Condominium Instruments, and the rules and regulations of the Board. The Board shall have authority to lease, license, or grant concessions with respect to portions of the Common Elements other than the Limited Common Elements. All income derived by the Association from leases, licenses, concessions, or other sources shall be held and used for the benefit of the members of the Association, pursuant to the Condominium Instruments and the rules and regulations of the Association.
- b. Each Unit Owner shall own an undivided interest in the Common Elements, in the percentage set forth in Exhibit B, attached hereto and made a part hereof, as a tenant in common with all other Unit Owners. The percentage is based on the Developer's initial determination of relative values of the Units. Except for (1) portions of the Common Elements that have been assigned to the Unit Owners by the Board pursuant to the provisions of the Condominium Instruments and (2) the Limited Common Elements, each Unit Owner and the Unit Owner's agents, permitted Occupants, family members, and invitees shall have the right to use the Common Elements for all purposes incident to the use and occupancy of the Unit as a place of residence and such other incidental uses permitted by the Condominium Instruments, which right shall be appurtenant to and run with the Unit. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving only the Unit Owner's Unit and the Limited Common Elements access to which is available only through the Unit. The right to the exclusive use and possession of the Limited Common Elements as aforesaid shall be appurtenant to and run with the Unit of the Unit Owner. Except as set forth in the preceding sentence or provided in the Act, Limited Common Elements may not be transferred between or among Unit Owners.

5. Encroachments and Easements.

a. If any part of the Common Elements encroaches or shall hereafter encroach on any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach on any part of the Common Elements, or any portion of any Unit encroaches on any part of any other Unit as a result of the construction, repair, reconstruction, settlement, or shifting of the Building, valid easements for the maintenance of the encroachment are hereby established and shall exist for the benefit of (1) the Unit Owner of the Unit so encroaching or (2) all the Unit Owners with respect to the Common Elements so encroaching as long as all or any part of the Building containing the Unit or Common Elements so encroaching shall remain standing; provided, however, that after the date this Declaration is Recorded, a valid easement for an encroachment shall in no event be created in favor of any owner of a Unit other than the Developer or in favor of the owners of the Common Elements if the encroachment occurred due to the willful conduct of the owner or owners.

- b. The City of Ouincy, and all other providers of public utility services serving the Property, and any Person providing cable television or other similar entertainment to the Property, are hereby granted the right to lay, construct, renew, replace, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatuses, and other equipment related to their service to the Property, into and through the Common Elements and the Units, where reasonably necessary, for the purposes of providing utility and entertainment services to the Property, as long as the grantees repair any damage to the Property resulting from an exercise of their rights hereunder. Subject to the terms of Subparagraph 5c, the Developer or Association may hereafter grant other or additional easements for utility or entertainment purposes and for any other purposes including, but not limited to, such easements as may be required to construct, keep, and maintain improvements on the Common Elements for the benefit of the Property, over, under, along, and on any portion of the Common Elements, and each Unit Owner hereby grants the Developer and the Association an irrevocable power of attorney to execute, acknowledge, and Record for and in the name of the Unit Owner such instruments as may be necessary to effectuate the foregoing (provided that with respect to all easements granted hereby or pursuant hereto, no Unit Owner shall be deprived of, or be subjected to material interference with, the use of its Unit or any Limited Common Element appurtenant to its Unit, other than reasonably). Each mortgagee of a Unit shall be deemed to consent to and be subordinate to any easement hereafter granted pursuant to the provisions of this Subparagraph 5b and also grants such power of attorney to the Developer and the Association as may be necessary to effectuate the foregoing.
- c. Upon approval by at least 67 percent of the Unit Owners, portions of the Common Elements may be dedicated to a public body for purposes of streets or utilities. When such a dedication is made, nothing in the Act or any other law shall be construed to require that the real property taxes of every Unit must be paid prior to Recordation of the dedication. Upon approval by a Majority of the Unit Owners, an easement may be granted for the laying, maintenance, and repair of cable television cable. Upon approval by a Majority of the Unit Owners, an easement may be granted to a governmental body for construction, maintenance, and repair of a project for protection against water damage or erosion. Any action pursuant to this Subparagraph 5c must be taken at a meeting of the Unit Owners duly called for the purpose.
- d. The Developer, its contractors and subcontractors, and their respective agents and employees shall have an easement for ingress, egress, and access to and throughout the Property to perform, and as may be required in connection with, the construction and

equipping of the improvements on the Parcel, which easement shall continue at the Developer's discretion for seven years following the date of the election of the Initial Board of Managers. In connection therewith, the Developer, its contractors and subcontractors, and their respective agents and employees shall have the right to take into and through and maintain on the Property all material and equipment required in connection with the construction and equipping and to temporarily suspend operation of entrances, doors, corridors, and other Common Elements without liability to any Unit Owner or Occupant; provided, however, that at all times the Unit Owners and Occupants shall have reasonable access to their respective Units and Limited Common Elements, and the Developer shall cause as little inconvenience to the Unit Owners and Occupants as is reasonably possible under the circumstances. The Developer shall promptly repair any damage caused to the Common Elements or any Unit in connection with the exercise of its rights and easements under this Subparagraph 5d.

- e. Without limitation of the terms of Subparagraph 5d, the right of the Unit Owners to use and possess the Common Elements shall be subject to a blanket easement over the Common Elements in favor of the Developer, and its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors, and assigns, for the purpose of (1) access and ingress to, and egress from, the Property, or any part thereof; (2) construction, installation, repair, replacement, and restoration of utilities and any other portion of the improvements thereon, including the right to restrict and regulate access to the Common Elements for the purposes of completing construction of the Common Elements or Units; and (3) the installation and maintenance of signs advertising the Units in the Property and signs directing potential purchasers to the sales office and models erected in connection with the Units and for such purposes as described in Subparagraph 11b. The foregoing easements in favor of the Developer shall continue for such time as may be required by the Developer, in its sole discretion, to perform, construct, or equip Common Elements or Units, and to make certain modifications thereof, for up to seven years following the election of the Initial Board of Managers, at which time the easements shall cease and be of no further force and effect without the necessity of any further action.
- f. A blanket easement over the Property is hereby granted in favor of the Association for the purpose of exercising its rights and performing its duties under this Declaration. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Property, and any suppliers of water, utility, or cable television or similar entertainment services to the Property shall be entitled to reasonable access to, over, and through the individual Units as may be required in connection with the operation, maintenance, repairs, or replacements of or to the Common Elements or any equipment, facilities, or fixtures affecting or serving other Units or the Common Elements, or to service and take readings of any utility meters located within a Unit.
- 6. Pipes, Etc. All pipes, wires, ducts, flues, chutes, conduits, public utility lines (to the outlets), and structural components located in or running through a Unit and serving more than one Unit or another Unit or serving, or extending into, the Common Elements, or any part thereof, shall be deemed part of the Common Elements but shall not be deemed to be Limited Common Elements. No Unit Owner may take any action that

would interfere with the ability of the Association to repair, replace, or maintain the Common Elements as provided herein.

7. Sale or Other Alienation.

- a. This section intentionally omitted.
- b. This section intentionally omitted.
- c. This section intentionally omitted.
- d. This section intentionally omitted.
- e. This section intentionally omitted.
- f. In the event any Unit Owner shall default in the payment of any money required to be paid under the provisions of any mortgage or trust deed against a Unit, the Association shall have the right to cure the default by paying the amount owing to the party entitled thereto and shall thereon have a lien therefor against the Unit, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses.
 - g. No Unit Owner may lease all or any part of a Unit.
- h. The Association may bid to purchase at any auction or sale of the Unit or interest therein of any Unit Owner, deceased or living, which sale is held pursuant to any order or direction of a court on the prior written consent of $66^2/3$ percent of the Unit Owners, which consent shall set forth a maximum price that the Association is authorized to bid and pay for the Unit or interest therein.
 - i. This section intentionally omitted.
 - j. This section intentionally omitted.
 - k. This section intentionally omitted.
- 1. Acquisition of Units or interests therein under the provisions of this paragraph shall be made from the Maintenance Fund. If that fund is insufficient, the Association shall levy a special assessment against each Unit Owner other than the owner of the Unit that is to be acquired by the Association in the ratio that Unit Owner's percentage of ownership in the Common Elements bears to the total of the percentages applicable to Units subject to the special assessment, which assessment shall become a lien and may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Subject to the provisions of the Act and Bylaws, the Association may borrow money to finance the acquisition of Units or interests therein, which acquisition is authorized by this paragraph; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit or interest therein to be acquired.
- m. Units or interests therein acquired pursuant to the terms of this paragraph, and all proceeds of any sale thereof, shall be held of record in the name of the Association for the use and benefit of the Unit Owners in the same proportions that the Association could levy a special assessment under the terms of Subparagraph 71 above. Subject to the

provisions of the Act and Bylaws, these Units or interests therein shall be sold by the Association for the benefit of the Unit Owners at such price and on such terms as the Association shall determine.

- n. Upon the written consent of all the members of the Board, any of the rights or options contained in this Paragraph 7 may be released or waived, and the Unit or interest therein that is subject to the right and option of the Association set forth in this paragraph may be sold, conveyed, given, or devised free and clear of the provisions of this paragraph.
 - o. This section intentionally omitted.

8. Association.

- a. The Developer, before the first annual meeting of the Unit Owners, or the Association thereafter, may cause the formation of an Illinois not-for-profit corporation for the purpose of facilitating the administration and operation of the Property and to act as the Association.
 - b. Whether or not the Association is incorporated
 - (1) Each Unit Owner shall be a member of the Association, which membership shall terminate on the sale or other disposition by the member of the member's Unit, at which time the new Unit Owner shall automatically become a member therein;
 - (2) The provisions of Exhibit C of this Declaration shall be adopted as the Bylaws of the Association;
 - (3) The name of the Association shall be Jayden Court Condominium Association, or a similar name.
- c. Until the election of the Initial Board of Managers, the same rights, titles, powers, privileges, trusts, duties, and obligations vested in or imposed on the Board by the Act and this Declaration (including without limitation the rights, powers, and privileges to promulgate rules and regulations relating to the Property) shall be held and performed and may be exercised by the Developer, who is hereby authorized to retain a building manager on behalf of the Association.
- d. Within 60 days following the election of the Initial Board of Managers, the Developer shall deliver to the Board
 - (1) All original documents as Recorded or filed pertaining to the Property, its administration, and the Association, such as this Declaration, Bylaws, Articles of Incorporation of the Association, other Condominium Instruments, annual reports, minutes, rules and regulations, contracts, leases, or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if

certified by affidavit of the Developer, or an officer or agent of the Developer, as being a complete copy of the actual document Recorded or filed;

- (2) A detailed accounting by the Developer, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance, and operation of the Property, copies of all insurance policies, and a list of any loans or advances to the Association that are outstanding;
- (3) Association funds, which shall have been segregated from any other money of the Developer;
- (4) A schedule of all real or personal property, equipment, and fixtures belonging to the Association, including documents transferring the Property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies, and all tax bills;
- (5) A list of all litigation, administrative action, and arbitration involving the Association, any notices of governmental bodies involving actions taken or that may be taken by the Association, engineering and architectural drawings and specifications as approved by any governmental authority, all other documents filed with any other governmental authority, all governmental certificates, correspondence involving enforcement of any Association requirements, copies of any documents relating to disputes involving Unit Owners, and originals of all documents relating to everything listed in this subparagraph; and
- (6) Any contract, lease, or other agreement made prior to the election of the Initial Board of Mangers by or on behalf of the Association or the Unit Owners.

9. Insurance, Repair, and Reconstruction.

- a. The Association shall acquire and pay for, out of the Maintenance Fund herein provided for, the following:
 - (1) Such insurance as the Association is required to obtain under the provisions of the Act and such other insurance as the Association deems advisable in the operation and for the protection of the Common Elements and the Units. The Association shall also comply with the insurance requirements of the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), the U.S. Department of Housing and Urban Development (HUD), the Federal Housing Administration (FHA), or the U.S. Department of Veterans Affairs (VA) to the extent that (a) the agency is a mortgagee, an assignee of a mortgagee, or an insurer or guarantor of a first mortgage with respect to any Unit and the Association is so notified thereof and (b) the agency's requirements do not conflict with those contained in the Act. 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. Coverage hereunder shall include the Units, the Limited Common Elements, except as otherwise determined by the Board, and the Common Elements, other than the

Limited Common Elements not excluded by the Board. This coverage shall not cover betterments or improvements to the Units installed by the Unit Owners except to the extent that Subparagraph 9c is applicable, in which event the Association may assess any increased premium against the Units of the affected Unit Owners.

"Common Elements" for the purposes of this subparagraph includes fixtures initially installed by the Developer and located within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the individual Units. "Common Elements" exclude floor, wall, and ceiling coverings. "Improvements and Betterments" for the purposes of this subparagraph means all decorating, fixtures, and furnishings installed or added to and located within the boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, and built-in cabinets installed by Unit Owners.

The Association may engage the services of any bank or trust company authorized to do business in Illinois to act as trustee or agent on behalf of the Association for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, on such terms as the Association shall determine consistent with the provisions of this Declaration. In the event of any loss resulting in the destruction of the major portion of one or more Units occurring after the election of the Initial Board of Managers, the Association shall engage a corporate trustee as aforesaid upon the written demand of the mortgagee or owner of any Unit so destroyed. The fees of the corporate trustee shall be Common Expenses.

Each Unit Owner, other than the Developer, shall notify the Association in writing of any additions, alterations, or improvements to a Unit and shall be responsible for any deficiency in any insurance loss recovery resulting from a failure so to notify the Association. The Association shall use its reasonable efforts to obtain insurance on any such additions, alterations, or improvements if the Unit Owner requests it to do so and if the Unit Owner shall make arrangements satisfactory to the Association to reimburse it for any additional premiums attributable thereto; and in the absence of insurance on the additions, alterations, or improvements, the Association 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 the additions, alterations, or improvements. All such policies of insurance shall contain standard mortgage clause endorsements in favor of the mortgagee of each Unit and shall provide that the policies shall not be terminated, canceled, or substantially modified without at least 30 days' prior written notice to the mortgagee of each Unit.

(2) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Property in such limits as the Association shall deem desirable, provided that such limit shall not be less than \$1 million per occurrence for personal injury and/or property damage, insuring the Association, the members of the Board, the managing agent, if any, and their respective agents and employees and all persons acting as agents. The Developer and its employees, representatives, and agents must be included as additional insured parties in their capacities as Unit Owner, member of the Board, manager, or officer of

the Board, as appropriate. The Unit Owners must be included as additional insured parties but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements. The policy shall provide that the insurance coverage shall not be canceled or substantially modified without at least 30 days' written notice to the Association.

- (3) Such other forms of insurance as the Association shall elect to effect, including such workers' compensation insurance as may be necessary to comply with applicable laws.
- (4) In the event the Association deems it appropriate, or if it is necessary to comply with the Act, any law or regulation, or the requirements of any mortgagee or assignee of any mortgagee, a fiduciary bond to protect against dishonest acts on the part of all officers, employees, or other Persons, including the managing agent and its employees, who control or disburse funds of the Association. The bond shall name the Association as an insured or obligee and shall be in an amount at least equal to the maximum amount of coverage available to protect funds in the custody or the control of the Association or the management company, including Reserves. Any management company that is responsible for the funds held or administered by the Association must be covered by a bond for the maximum amount of coverage available to protect those funds. The Association has standing to make a loss claim against the insurance of the managing agent as a party covered under the insurance. In the event Freddie Mac, Fannie Mae, HUD, FHA, or VA is a mortgagee, the insurance shall be in an amount at least equal to 150 percent of the estimated annual Common Expenses, including Reserves, unless a higher amount is required by Freddie Mac, Fannie Mae, HUD, FHA, or VA, in which case the insurance shall be in the higher amount. The insurance shall contain a waiver of defense based on the exclusion of persons who serve without compensation from the definition of "employee."
- b. Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Association, and the cost of any appraisal that the Association deems advisable in connection with any insurance, shall be Common Expenses.
- c. Insurance policies procured pursuant to Subparagraphs 9a(1) and 9a(2) must provide for the following:
 - (1) Each Unit Owner and mortgagee is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements or membership in the Association.
 - (2) The insurer waives its right to subrogation under the policy against any Unit Owner or members of the Unit Owner's household and against the Association and members of the Board.
 - (3) The Unit Owner waives the right to subrogation under the Association policy against the Association and the Board.

- d. The Association may, but shall not be required to, secure policies providing the following:
 - (1) With respect to the insurance provided for in Subparagraph 9a(1), that the policy cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual Unit Owners; and
 - (2) With respect to the insurance provided for in Subparagraph 9a(1), that the insurer shall not have the option to restore the Property if the Property is sold or removed from the provisions of the Act.
- e. Each Unit Owner shall be responsible for obtaining insurance coverage on the improvements, additions, furnishings, and other items of personal property belonging to the Unit Owner that are contained in a Unit or elsewhere in the Property, insurance on the Improvements and Betterments to the Unit Owner's Unit not insured pursuant to the provisions of Subparagraph 9a(1), and insurance for the Unit Owner's personal liability to the extent not covered by insurance maintained by the Association.
- f. Upon the cancellation of any policy of insurance that the Association is required to obtain hereunder, the Association shall notify each party insured thereunder of the cancellation consistent with Illinois insurance requirements.
- g. In the event of fire or other disaster, the insurance proceeds, if sufficient to reconstruct the Building, shall be applied to restore the Building to substantially the same condition in which it existed prior to the fire or other disaster, with each Unit and Common Element to have the same vertical and horizontal boundaries as before the fire or other disaster.
- h. If, in the event of fire or other disaster, the insurance proceeds are insufficient to restore the Building as set forth in the preceding subparagraph, then
 - (1) The Board shall call a meeting of Unit Owners to be held not later than the first to occur of (a) the expiration of 30 days after the final adjustment of the insurance claims or (b) the expiration of 90 days after the fire or other disaster that caused the damage.
 - (2) At the meeting of Unit Owners, the Board shall present an estimate of the cost of repair or reconstruction, together with an estimate of the part thereof that must be raised by way of special assessment.
 - (3) The Building shall be restored and the proposed special assessment shall be levied only upon the vote of 75 percent of the Unit Owners.
 - (4) If the Unit Owners do not vote to restore the Building at the meeting provided for in Subparagraph 9h(1) above, then the Board may, at its discretion, call another meeting or meetings of Unit Owners to reconsider the question. If 75 percent or more of the Unit Owners do not vote to restore the Building within 180 days after

the fire or other disaster, then the Board may (but shall not be required to) Record a notice as permitted under the Act.

(5) If the Unit Owners do not vote to restore the Building under the provisions of this subparagraph and the Board does not Record a notice as permitted under the Act, then the Unit Owners may, upon the affirmative vote of a Majority of the Unit Owners voting at a meeting duly called for that purpose and with the consent of all First Mortgagees, authorize the President or Vice President and the Secretary or Assistant Secretary to execute and record an amendment to this Declaration for the purpose of withdrawing any portion of the Building so affected by the fire or other disaster from the Act. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to that Unit shall be reallocated among the remaining Units on the basis of the relative percentage interest of the remaining Units. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, on the basis of diminution of the market value of the Unit, as determined by the Board. The allocation of any insurance or other proceeds to any withdrawing or remaining Unit Owners shall be on an equitable basis that need not be a Unit's percentage of interest in the Common Elements.

Any insurance or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, assessments attributable to the period after the withdrawal shall no longer be required for the withdrawn Unit or shall be equitably reduced to reflect the withdrawn portion.

- i. The Board may, in the case of a claim against insurance required to be obtained by the Association for damage to a Unit or the Common Elements, (1) pay the deductible amount as a Common Expense; (2) after notice and an opportunity for a hearing, assess the deductible amount against the Unit Owner(s) who caused the damage or from whose Unit(s) the damage or cause of loss originated; or (3) require the Unit Owner(s) of the Unit(s) affected to pay the deductible amount.
- j. If, at the time of a loss under a policy maintained by the Association, there is other insurance in the name of a Unit Owner covering the same property covered by the policy maintained by the Association, the Association's policy is primary insurance.
- k. Any loss covered by the policy under Subparagraph 9a(1) must be adjusted by and with the Association. The insurance proceeds for that loss must be payable to the Association or to an insurance trustee designated by the Association for that purpose. The insurance trustee or the Association must hold any insurance proceeds in trust for Unit Owners and mortgagees as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged Common Elements, next to the bare walls, ceilings, and floors of the Units, and then to any Improvements and Betterments the Association may insure. Unit Owners are not entitled to receive any portion of the

proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Association has been terminated as trustee.

- 1. Contractors and vendors (except public utilities) doing business with the Association under contracts exceeding \$10,000 per year must provide certificates of insurance naming the Association, the Board, and its managing agent as additional insured parties.
- m. Any insurer defending a liability claim against the Association must notify the Association of the terms of the settlement no less than ten days before settling the claim. The Association may not veto the settlement unless otherwise provided by contract or statute.
- n. Each Unit Owner shall obtain insurance covering the Unit Owner's personal liability and compensatory (but not consequential) damages to another Unit caused by the negligence of the Unit Owner or his or her guests, residents, or invitees, regardless of any negligence originating from the unit. The personal liability of a Unit Owner must include the deductible of the Unit Owner whose Unit was damaged, any damage not covered by insurance required by this Subparagraph 9n, and the decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings. If the Unit Owner does not purchase or produce evidence of insurance requested by the Board, the Board may purchase the insurance coverage and charge the premium cost back to the Unit Owner. In no event is the Board liable to any person either with regard to its decision not to purchase the insurance or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.
- 10. Separate Real Estate Taxes. It is understood that real estate taxes for the Parcel are to be separately taxed to each Unit Owner for the Unit Owner's Unit and corresponding percentage of ownership of the Common Elements, as provided in the Act. In the event that for any year the taxes are not separately taxed to each Unit Owner but are taxed on the Property as a whole, then the Association shall collect from each Unit Owner the proportionate share thereof in accordance with the Unit Owner's respective percentage of ownership of the Common Elements, and the taxes levied on the Property as a whole shall be considered a Common Expense.
- <u>11. Use and Occupancy of Units and Common Elements.</u> The Units and Common Elements shall be occupied and used as follows:
- a. No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit, or any two or more adjoining Units used together, shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purposes. That part of the Common Elements separating any two or more adjoining Units used together may be altered to afford ingress and egress to and from such adjoining units in accordance with the rules and regulations of the Association and on such conditions as shall reasonably be determined by the Association, provided that a Unit Owner intending to so alter the Common Elements as aforesaid shall notify the Association at least 45 days before the commencement of any such alteration.

b. No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. No "For Sale" or "For Rent" signs, advertising, or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Association. The right is reserved by the Developer or their agent or agents to place "For Sale" or "For Rent" signs on any unsold or unoccupied Units and on any part of the Common Elements, and the right is hereby given to any mortgagee who may become the owner of any Unit to place such signs on any Unit owned by the mortgagee. Subject to the limitations of Subparagraphs 5d and 5e, the Developer shall be entitled to access, ingress, and egress to the Property as they shall deem necessary in connection with the sale of, or work in, the Building or any Unit. The Developer shall have the right to use any unsold Unit or Units as model apartments or for sales or display purposes, to change the location of the Unit or Units used for such purposes from time to time, and 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.

- c. There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements without the prior consent of the Association, except as herein expressly provided. Each Unit Owner shall be obligated to maintain and keep his or her own Unit and the Limited Common Elements appurtenant thereto in good, clean order and repair. The use and the covering of the interior surfaces of 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 Association.
- d. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance on the Property without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in that Owner's Unit or in the Common Elements that will result in the cancellation of any insurance maintained by the Association, or that would be in violation of any law. No waste shall be committed in the Common Elements.
- e. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building, and no sign, awning, canopy, shutter, or radio, television, or other antenna (except as installed as of the date this Declaration is recorded or except as thereafter installed by Developer or the Association) shall be affixed to or placed on the exterior walls or roof or any part thereof or on the Common Elements without the prior written consent of the Association; provided, however, subject to the rules and regulations adopted by the Board, an American flag or a military flag or both may be displayed within the Limited Common Elements and facilities of a Unit Owner or immediately adjacent to the exterior of the building in which the Unit is located. All through-wall air conditioners and sleeves in which the air conditioners are inserted, installed as of the date this Declaration is Recorded, may be maintained, removed, and replaced and shall be repaired as necessary by the Unit Owner owning the Unit that the air conditioner and sleeve serve. No air conditioning unit of whatever type, other than those installed as of the date this

Declaration is Recorded, or those thereafter installed by the Developer or the Association, may be installed without the prior written permission of the Association.

- f. No animals, livestock, fowl, or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that household pets, (e.g., dogs or cats), may be kept in Units, subject to rules and regulations adopted by the Association, which rules and regulations may exclude any kind of pet by type or category, provided that permitted household pets are not kept, bred, or maintained for any commercial purpose, and provided further that any such authorized pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property on three days' written notice from the Association.
- 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 willfully or negligently, that may be or become an annoyance or nuisance to the other Unit Owners or occupants.
- h. Except as constructed or altered by or with the permission of the Developer or the Association, nothing shall be done in any Unit or in, on, or to the Common Elements that would impair the structural integrity, safety, or soundness of the Building, or that would structurally change the Building.
- i. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris, and other unsightly materials.
- j. No benches, chairs, or other personal property shall be left on, nor shall any placing or parking of baby carriages, playpens, bicycles, swingsets, sandboxes, jungle gyms, wagons, toys, or vehicles be permitted on, any part of the Common Elements without prior consent of and subject to any rules and regulations of the Association.
- k. Nothing shall be altered or constructed in or removed from the Common Elements except by or with the permission of the Developer at any time before the election of the Initial Board of Managers without the written consent of the Association.
- 1. Each Unit Owner and the Association hereby waive and release any and all claims against any other Unit Owner, the Association, members of the Board, the Developer, and their respective employees and agents for damage to the Common Elements, the Units, or any personal property located in the Units or Common Elements caused by fire or other casualty or any act or omission referred to in Subparagraph 11m, to the extent that the damage is covered by fire or other form of hazard insurance.
- m. If the act or omission of a Unit Owner, or of a family member, household pet, guest, Occupant, or visitor of the Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs, or replacements shall be required that would otherwise be at the common expense, then the Unit Owner shall pay for the damage and the maintenance, repairs, and replacements, as may be determined by the Association, to the extent the payment is not waived or released under the provisions of Subparagraph 111.

- n. Any release or waiver referred to in Subparagraphs 111 and 11m hereof shall be valid only if the release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder.
- o. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories, or equipment in such manner as to cause, in the judgment of the Association, an unreasonable disturbance to others. Nor shall any Unit Owner connect any machine, appliance, accessory, or equipment to the heating system or plumbing system without the prior written consent of the Association.
- p. This Paragraph 11 shall not be construed to prevent or prohibit a Unit Owner from maintaining a personal professional library, keeping personal business or professional records or accounts, handling personal business or professional telephone calls, or conferring with business or professional associates, clients, or customers in his or her Unit.
- q. All rubbish, trash, and garbage shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. Such trash removal service shall be provided by the City of Quincy, or at its option, by the Association, in which event such trash removal shall be a Common Expense. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. All equipment, garbage cans, wood piles or storage piles shall be kept clean and concealed from view of other Units, streets and common areas.
- r. Except as otherwise expressly provided in the Declaration of Condominium or Bylaws, no additions, alterations, or improvements shall be made by a Unit Owner to any part of the Common Elements (including the Limited Common Elements), and no additions, alterations, or improvements shall be made by a Unit Owner to his or her Unit, when that work alters the wall or partition, configuration, ceiling, perimeter doors or windows, or floor load or otherwise affects the structure of the Unit or the structural integrity or systems of the Building, or increases the cost of insurance required to be carried by the Board hereunder, without prior written consent of the Board, and then only in accordance with rules and regulations adopted by the Board. Any addition, alteration, or improvement of a Unit by the Unit Owner that shall affect the structure of the Unit or the Common Elements or shall affect the structural integrity of the Building shall, further, conform with all documentation prepared or reviewed and approved by an architectural or engineering firm selected by the Association. The cost of the drawings or review and approval shall be paid by the Unit Owner. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration, or improvement by a Unit Owner on the Unit Owner's agreement either (1) to be solely responsible for the maintenance of the addition, alteration, or improvement, subject to such standards as the Board may from time to time set, or (2) to pay to the Association from time to time the additional costs of maintenance or insurance as a result of the addition, alteration, or improvement. If an addition, alteration, or improvement is made by a Unit Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of

the following actions, which actions shall not be exclusive of the remedies available to the Board under Paragraph 12 hereof:

- (1) Require the Unit Owner to remove the addition, alteration, or improvement and restore the Property to its original condition, all at the Unit Owner's expense;
- (2) If the Unit Owner refuses or fails to properly perform the work required under clause (1) above, cause the work to be done and charge the Unit Owner for the cost thereof as determined by the Board; or
- (3) Ratify the action taken by the Unit Owner, in which case the Board may (but shall not be obligated to) condition such ratification on the same conditions that it may impose on the giving of its prior consent under this subparagraph.
- s. No fences or swimming pools of any kind shall be placed, erected, installed, or maintained on the Property.
- t. No out buildings, sheds, walls, cement pads, obstructions, outside or exterior wiring, patio cover, tent, awning, carport, carport cover, improvements or structures of any kind shall be commenced, installed, erected, painted, repainted or maintained upon the property, by any Unit Owner, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by the Association.
- u. Reasonable regulations concerning use of the Property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and/or Bylaws. Copies of such regulations and amendments, if any, shall be furnished by the Association to all Unit Owners upon request.
 - v. No Unit shall be leased. All Units shall be owner-occupied.
- w. No trailer, camper, mobile home, motor home, house car, commercial vehicle, truck (other than standard-size pick-up truck or standard-size van), boat, inoperable automobile, or similar equipment will be permitted to remain on any area within the property, other than temporarily, unless placed or maintained within an enclosed garage. Commercial vehicles include sedans or standard-size vans or pick-up trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on the vehicles will be unobtrusive and inoffensive as determined by the board of the Association. No noisy or smoky vehicles will be operated on the property. No unlicensed motor vehicles will be operated on the property. Garages will be used to park permitted vehicles, and not for storage. Twenty-four (24) hours after notice has been personally delivered to the owner by an agent of the association or placed on the windshield of the vehicle or twenty-four (24) hours after notice has been mailed to the address of the registered owner of the vehicle parked, stored, or maintained on the premises, in violation of the provisions of this Declaration, the owner will be deemed to have consented to removal of the vehicle from the project. The Association or its agents or employees will then have authority to tow away and store any vehicle, whether the vehicle belongs to a Unit Owner, a member of the owner's family, or the owner's guest

or invitee. Charges for towing and storage will be paid by the Unit Owner responsible for the presence of the vehicle.

12. Violation of Declaration. The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or in the Bylaws contained shall, in addition to any other rights provided for in this Declaration or the Bylaws, give the Association the right (a) to enter on the Unit or any portion of the Property on which, or as to which, the violation or breach exists, and to 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 neither the Association nor the officers, employees, or agents thereof shall thereby be deemed guilty in any manner of trespass; (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession of the Unit Owner's interest in the Property and to maintain an action for possession of the Unit in the manner provided by law.

Provided, however, that, except in cases of emergency when damage to persons or property is threatened, the Association shall not take any such action unless (a) it has first given the Unit Owner alleged to have violated any restriction, condition, or regulation adopted by the Association, or to be in breach of any covenant or provision herein or in the Bylaws contained, a hearing on the allegations pursuant to rules and regulations adopted by the Association; (b) the Association shall have determined the allegations to be true; and (c) the Unit Owner shall not have desisted from the violation or breach or shall not have taken such steps as shall be necessary to correct the violation or breach within a reasonable period of time as determined by the Association and communicated to the Unit Owner. Any and all costs and expenses incurred by the Association in the exercise of its authority, as granted in this Paragraph 12, including but not limited to court costs, reasonable attorneys' fees as determined by a court of competent jurisdiction, and cost of labor and materials, shall be paid by the Unit Owner in violation and, until paid by the Unit Owner, shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Any such lien shall be junior and subordinated to the lien of a First Mortgagee with respect to the Unit.

Furthermore, if, after hearing and finding as aforesaid, the Unit Owner fails to desist from the violation or to take such corrective action as may be required, the Association shall have the power to issue to the defaulting Unit Owner a ten-day notice in writing of intention to terminate the rights of the defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use, or control the Unit and the Common Elements appurtenant thereto, and thereupon an action in equity may be filed by the Association against the defaulting Unit Owner for an order declaring the termination of the defaulting Unit Owner's right to occupy, use, or control the Unit and the Common Elements appurtenant thereto, on account of the violation of a rule or breach of covenant or provision as aforesaid, and ordering that all the right, title, and interest of the Unit Owner in the Property shall be sold at a judicial sale on such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Unit Owner from reacquiring his or her interest at the judicial sale or by virtue of the exercise of any right

of redemption that may be established, and except that the court shall direct that any mortgage of a First Mortgagee be retired out of the proceeds of the judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in the order. Any balance of proceeds after satisfaction of those charges, and any unpaid assessments hereunder, or any liens in favor of a First Mortgagee, shall be paid to the Unit Owner. Upon the confirmation of the sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit and to immediate possession of the Unit sold and may apply to the court for an order of assistance for the purpose of acquiring that possession, and it shall be a condition of any such sale, and the order shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

Any Unit Owner in default hereunder or under the provisions of the Bylaws or any rule or regulation adopted by the Association shall pay to the Association, as an agreed Common Expense with respect to his or her Unit, all attorneys' fees incurred by the Association in enforcing the provisions of the Bylaws, this Declaration, or the rules and regulations of the Association as to which the Unit Owner is in default. Until those fees are paid by the Unit Owner, the amount thereof shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Any such lien shall be junior and subordinate to the lien of a First Mortgagee with respect to the Unit.

- 13. Grantees. Each grantee of the Developer or a subsequent Unit Owner, and each purchaser under Articles of Agreement for Deed, accepts the interest acquired subject to all easements, restrictions, conditions, covenants, reservations, liens, and charges, the Bylaws, the rules and regulations of the Association, and the jurisdiction, rights, and powers created or reserved by this Declaration and the provisions of the Act, as at any time amended, and all easements, 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 land, and shall inure to the benefit of each grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.
- <u>14. Failure To Enforce.</u> No terms, obligations, covenants, conditions, restrictions, or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce them, no matter how many violations or breaches may occur.
- 15. Notices. Whenever any notice is required to be given under the provisions of this Declaration or the Bylaws, a waiver thereof in writing by the Person or Persons entitled to the notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of notice, provided the waiver or the time of giving it is not contrary to the provisions of the Act. Notices required to be given to any devisee or personal representative of a deceased Unit Owner shall be delivered by mail to that party at the address appearing in the records of the court wherein the estate of the deceased owner is being administered.

16. Amendments. Except as hereinafter otherwise provided, the provisions of Paragraphs 1, 2, 3, 4, 5, 6, 13, 24, and this Paragraph 16 of this Declaration may be amended, changed, or modified by an instrument in writing, setting forth the amendment, change, or modification, signed and acknowledged by all members of the Board, all of the Unit Owners, and each mortgagee having a bona fide lien of record against any Unit. Except as herein otherwise provided, other provisions of this Declaration may be amended, changed, or modified on a vote of a majority of the Board voting, and at least 75 percent of the Unit Owners, by an instrument in writing setting forth the amendment, change, or modification, signed and acknowledged by an authorized officer of the Board and containing an affidavit by an officer of the Association certifying that (a) at least 75 percent of the Unit Owners have approved the amendment, change, or modification and (b) a copy of the amendment, change, or modification has been mailed by certified mail to all mortgagees having bona fide liens of Record against any Unit, not less than ten days before the date of the affidavit. The approval of eligible First Mortgagees (i.e., First Mortgagees who have requested that the Association notify them of amendments affecting the matters described in Subparagraphs a through and including o below) of 51 percent of Units that are subject to a mortgage or trust deed shall be required to materially amend any provisions of the Declaration or Bylaws or to add any material provisions thereto that establish, provide for, govern, or regulate any of the following:

a. Voting;

- b. Increases in assessments that raise the previously assessed amount by more than 25 percent, assessment liens, or subordination of those liens;
- c. Reduction of Reserves for maintenance, repair, and replacement of the Common Elements;
 - d. Insurance or fidelity bonds;
 - e. Rights to use of the Common Elements;
 - f. Responsibility for maintenance and repair of the Common Elements;
 - g. The withdrawal of property from Jayden Court Condominium;
 - h. Boundaries of any Unit;
 - i. Interests in the Common Elements or Limited Common Elements;
- j. Convertibility of Units into Common Elements or of Common Elements into Units;
 - k. This paragraph intentionally omitted;
- 1. Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey a Unit in the condominium;

- m. Establishment of self-management by the Association when professional management has been required by Freddie Mac, Fannie Mae, HUD, FHA, or VA;
 - n. Hazard or fidelity insurance requirements;
- o. Any provisions that expressly benefit mortgage holders, insurers, or guarantors; or
- p. Restoration or repair of the condominium (after damage or partial condemnation) in a manner other than as specified in the Declaration.

Any amendment, change, or modification shall conform to the provisions of the Act and shall be effective on recordation thereof. No change, modification, or amendment that affects the rights, privileges, or obligations of the Developer shall be effective without the prior written consent of the Developer. The Bylaws may be amended in accordance with the provisions of Article XII thereof.

<u>17. Arbitration.</u> Any controversy between or among Unit Owners, or any claim by a Unit Owner against the Association, arising out of or relating to the Declaration, Bylaws, or rules and regulations of the Association in which the matter in controversy has either no specific monetary value or a value of \$10,000 or less shall be settled by arbitration in accordance with the Rules of the Illinois Uniform Arbitration Act, with the disputants to share equally in the costs of arbitration.

18. Annexing Additional Property.

- a. The Developer reserves the right from time to time, within seven years of the date of the Recording of this Declaration, to annex and add to the Parcel and Property, and thereby add to the condominium created by this Declaration, all or any portion of the Additional Land by Recording an amended Plat in accordance with §5 of the Act and an Amended Declaration in accordance with §6 of the Act. No rights of any character whatever within the Additional Land attach to any Unit Owner except as to that portion of the Additional Land described in any recorded Amended Declaration annexing and adding that portion to this Declaration as part of the condominium created by this Declaration. A drawing showing the proposed development plan as of the date of the recording of this declaration is attached as Exhibit E hereto, for informational purposes only. The development plan may be changed by the Developer at any time without notice and the Developer may amend or supersede Exhibit E to reflect any change.
- b. Each Amended Declaration shall include an amended Exhibit A, which shall amend Exhibit A hereto by setting forth the amended legal description of the Parcel to include the portion of the Additional Land annexed hereto, as well as a separate legal description of the portion. The amended Exhibit A shall also set forth the legal description of the Units added by the Amended Declaration, as well as all previous Units. The Amended Declaration shall also contain an amended Plat, showing the boundaries of the portion and of the entire Parcel as amended and delineating the additional Units of the portion, all in accordance with §5 of the Act.

Each Amended Declaration shall also include an amended Exhibit B, which shall amend Exhibit B hereto by setting forth the amended percentages of the undivided interests in the Common Elements (as amended and added to by the Amended Declaration) allocated to each Unit (including all previous Units and the additional Units added by the Amended Declaration).

c. The percentages of undivided ownership interest in the Common Elements as amended by each Amended Declaration, and as set forth in the amended Exhibit B, shall be determined and adjusted in the following manner:

The Common Elements as amended by the Amended Declaration shall be deemed to consist of

- (1) the Common Elements as existing immediately before the Recording of the Amended Declaration (Existing Common Elements); and
- (2) the Common Elements added by the Amended Declaration (Added Common Elements).

The Units as amended by the Amended Declaration shall be deemed to consist of

- (1) the Units as existing immediately before the Recording of the Amended Declaration (Existing Units); and
- (2) the Units added by the Amended Declaration (Added Units).

The value of each of the Added Units shall be added to the aggregate value of the Existing Units, and the total thereof shall be deemed to be the new value of the Property as a whole. "Value" as used in this paragraph shall be determined by the Developer as of the date of the Recording of the Amended Declaration. The determination by the Developer shall be conclusive and binding on all Unit Owners, mortgagees, and other parties who then or in the future have any interest in the Property.

The percentages of undivided ownership interest, as amended and adjusted by the Amended Declaration, in the entire Common Elements, consisting of the Existing Common Elements plus the Added Common Elements, to be allocated among all the Units, consisting of the Existing Units plus the Added Units, shall be computed by taking as a basis the value of each Unit in relation to the value of the Property as a whole, determined as aforesaid.

The Existing Units shall be entitled to their respective percentages of ownership, as amended and adjusted and set forth in amended Exhibit B attached to the Amended Declaration, in the Added Common Elements as well as in the Existing Common Elements.

The Added Units shall be entitled to their respective percentages of ownership, as set forth in amended Exhibit B, not only in the Added Common Elements but also in the Existing Common Elements.

Each and all of the provisions of this Declaration and the Exhibits attached hereto, as amended by each successive Amended Declaration and the amended Exhibits attached thereto, shall be deemed to apply to each and all of the Units, including all Added Units as well as all Existing Units, and to all of the Common Elements, including all Added Common Elements as well as all Existing Common Elements.

The Recording of an Amended Declaration shall not alter or affect the amounts of any liens for Common Expenses due from any Existing Unit Owners before the Recording, nor the respective amounts theretofore assessed to or due from Existing Unit Owners for Common Expenses or other assessments.

- d. The lien of any mortgage encumbering any Existing Unit, together with its appurtenant percentage of undivided ownership interest in the Existing Common Elements, shall automatically be deemed to be adjusted and amended when an Amended Declaration is Recorded, in accordance with the respective percentage of undivided ownership interest in the Common Elements for the Existing Unit as set forth in the amended Exhibit B attached to the Amended Declaration, and the lien of the mortgage shall automatically attach in that percentage to the Added Common Elements.
- e. Each and all of the Unit Owners of all Existing Units and of all Added Units hereafter and their respective mortgagees, grantees, heirs, administrators, executors, legal representatives, successors, and assigns, by their acceptance of any deed or mortgage or other interest in or with respect to any of the Units, shall be deemed to have expressly agreed, assented, and consented to each and all of the provisions of this Declaration with respect to the Recording of any and all Amended Declarations as aforesaid that may amend, adjust, and reallocate from time to time their respective percentages of undivided ownership interest in the Common Elements, including the Existing Common Elements and Added Common Elements, as hereinabove provided; and hereby further agree to each and all of the provisions of each and all of the Amended Declarations that may hereafter be recorded in accordance with the foregoing provisions of this Declaration.
- f. Each and all of the Unit Owners of all Existing Units, and of all Added Units hereafter, and their respective mortgagees, grantees, heirs, administrators, executors, legal representatives, successors, and assigns, by their acceptance of any deed or mortgage or other interest in or with respect to any of such Units, further acknowledge, consent, and agree, as to each Amended Declaration that is Recorded, that
 - (1) The portion of the Additional Land described in each Amended Declaration shall be governed in all respects by the provisions of this Declaration;
 - (2) The percentage of ownership in the Common Elements appurtenant to each Unit shall automatically be shifted and reallocated to the extent set forth in each Recorded Amended Declaration and, on the Recording of each Amended Declaration, the amount by which the percentage appurtenant to a

Unit is reduced, as set forth in the recorded Amended Declaration, shall thereby be and be deemed to be released and divested from the Unit Owner and reconveyed and reallocated among the other Unit Owners as set forth in each recorded Amended Declaration;

- (3) 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, on the Recording of each Amended Declaration, be divested pro tanto to the reduced percentage set forth in the Amended Declaration and vested among the other Unit Owners, mortgagees, and others owning an interest in the other Units in accordance with the terms and percentages of each recorded Amended Declaration;
- (4) A right of revocation is hereby reserved by the grantor in each 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;
- (5) 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 Amended Declaration, and each deed, mortgage, or other instrument affecting a Unit shall be deemed to include the Added Common Elements, and the ownership of any Unit and lien of any mortgage shall automatically include and attach to the Added Common Elements as the Amended Declarations are Recorded;
- (6) Each Unit Owner shall have a perpetual easement, appurtenant to Unit Owner's Unit, for the use of any additional Common Elements annexed thereto by and described in any Recorded Amended Declaration, for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the Unit Owners of specific Units as may be provided in any Amended Declaration or this Declaration and except as to any portion that may be designated as Limited Common Elements;
- (7) Each Unit Owner by acceptance of the deed conveying the Unit agrees for himself or herself and all those claiming under him or her, including mortgagees, that this Declaration and each Amended Declaration is and shall be deemed to be in accordance with the Act, and, for purposes of this Declaration and the Act, any changes in the respective percentages of ownership in the Common Elements as set forth in each Amended Declaration shall be deemed to be made by agreement of all Unit Owners;
- (8) The Developer reserves the right to amend this Declaration in such manner, and each Unit Owner agrees to execute and deliver the documents necessary or desirable, to cause the provisions of this Paragraph 18 to comply with the Act as it may be amended from time to time; and

- (9) 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 the 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.
- g. Any Added Units will be substantially similar in design and construction to the Existing Units, and shall be compatible with same and in compliance with City of Quincy Ordinance 08-15, as related to density, use, construction and architectural style.
- h. Any portion of the Additional Land may be made part of the Parcel and Property at different times. There is no limitation on the order in which Additional Land, or any part thereof, may be made a part of the Parcel and Property nor any limitations fixing the boundaries of any such portion; and, no particular portion of the Additional Land must be made part of the Parcel and Property. The Added Units, just like the Existing Units, shall be subject to City of Quincy Ordinance 08-15, including the requirements related to front yard and side yard setbacks.
- i. The maximum number of Units which may be made part of the Parcel and Property is sixteen (16) (inclusive of both the Existing Units and any Added Units), and the maximum number of Units in each Building will be two (2).
- 19. Condemnation. In the event of a taking or condemnation by competent authority of any part of the Property, the Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as closely as possible to the general design, structure, and materials used with respect to the improvements as they existed before the taking or condemnation. In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Act, and the percentage of ownership interest in the Common Elements allocated to the Unit or portion thereof (as determined by the Board on the basis of diminution in market value of the Unit) shall be reallocated among the remaining Units on the basis of the relative percentage of ownership interests in the Common Elements of the remaining Units. In such cases, this Declaration and the Plat shall be amended accordingly, pursuant to the provisions of the Act. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage of interest in the Common Elements. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on the Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

- 20. Violations of Certain Rules. If any of the options, privileges, covenants, or rights created by this Declaration shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common-law rules imposing time limits, then the provision shall continue only until 21 years after the death of the survivor of the now-living lawful descendants of Brian T. Schuette.
- 21. Severability. The invalidity of any restriction hereby imposed, or of any provision hereof, or of any part of a restriction or provision, shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration, and all of the terms hereof are hereby declared to be severable.
- **22.** Construction. The provisions of this Declaration shall be liberally construed to effect its purpose of creating a uniform plan for the development and operation of a first-class condominium development.
- 23. Changes or Modifications by the Developer. Until the election of the Initial Board of Managers, the Developer, or its successors or assigns, shall have the right to change or modify the Condominium Instruments, which change or modification shall be effective on the recording thereof, provided further that this right shall be exercised only (a) to bring the Declaration into compliance with the Act, (b) to correct clerical or typographical errors in the Declaration, or (c) to conform the Condominium Instruments to the requirements of Freddie Mac or the Fannie Mae with respect to condominium projects. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make any change or modification as authorized hereunder on behalf of each Unit Owner as attorney-in-fact for the Unit Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Developer as aforesaid.
- **24.** Rights of First Mortgagees. Any mortgage or trust deed owned or held by a First Mortgagee and Recorded before the Recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his or her share of the monthly assessment when due shall be superior to the lien of the unpaid Common Expenses set forth in the notice and to all assessments for Common Expenses that become due and are unpaid subsequent to the date of Recording of the first mortgage or first trust deed. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the mortgage or trust deed, foreclosure of the mortgage or trust deed, or deed (or assignment) in lieu of foreclosure shall not be liable for and shall take the Unit and its proportionate interest in the Common Elements free from claims for unpaid common or special assessments levied by the Association that accrue before the date of possession as aforesaid.
- a. A First Mortgagee, or an insurer or guarantor of the note held by a First Mortgagee, on written request to the Association (the request to state the name and address of the First Mortgagee, insurer, or guarantor and identification of the Unit encumbered by the mortgage held by the First Mortgagee), shall be entitled to timely written notice of

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(1) Any proposed action that requires the consent of a specified percentage of eligible First Mortgagees;

- (2) Any proposed termination of the condominium project;
- (3) Any condemnation loss or any casualty loss that exceeds \$10,000 and affects a portion of the Common Elements, or that exceeds \$1,000 and affects any Unit on which there is a first mortgage held, insured, or guaranteed by the eligible holder;
- (4) Any delinquency in the payment of assessments or charges owed by an owner of a Unit subject to the mortgage of a First Mortgagee, insurer, or guarantor when the delinquency has continued for a period of 60 days; and
- (5) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- b. Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications for the Building unless the approval is obtained from at least 67 percent of the Unit Owners and the eligible First Mortgagees of Units that represent at least 51 percent of the Units subject to mortgages or trust deeds held by eligible First Mortgagees.
- c. Any election to terminate the condominium project after substantial destruction or substantial taking by condemnation of the Property shall require the approval of at least 67 percent of the Unit Owners and the eligible First Mortgagees of Units that represent at least 51 percent of the Units subject to mortgages or trust deeds held by eligible First Mortgagees.
- d. Any election to terminate the condominium project for reasons other than substantial destruction or condemnation of the Property shall require the approval of at least 67 percent of the Unit Owners and the eligible First Mortgagees of Units that represent at least 67 percent of Units subject to a mortgage or trust deed held by an eligible First Mortgagee.
- 25. Trustees. In the event title to any Unit should be conveyed to a land trust under which all powers of management, operation, and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under the trust and the beneficiaries thereunder from time to time shall be liable for payment of any obligation, lien, or indebtedness chargeable or created under this Declaration against the Unit. No claim shall be made against any such title-holding trustee personally for payment of any claim, lien, or obligation hereby created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or lien on the premises notwithstanding any transfer of beneficial interest or the title of the real estate.

26. Exterior and Interior Maintenance:

a. **General:** The Association shall maintain the Common Elements and all improvements thereto and thereon, including without limitations the exterior of the buildings (e.g., roofs, exterior walls, soffits), private roadways, access easements and landscaping thereof. The costs of such maintenance shall be paid by the Association as common expenses. Each Unit Owner shall furnish and be responsible for, at the Unit Owner's own expense:

- (1). All of the maintenance, repairs and replacements within the Unit Owner's own Unit, all doors and outside windows and frames appurtenant thereto, and all internal installations of such Unit such as refrigerators, ranges, and other kitchen appliances, lighting fixtures and other electrical fixtures and plumbing, and any portion of any other utility service facilities located within the Unit; provided, however, that such maintenance, repairs, and replacements as may be required for the bringing of water, gas and electricity to the Units, shall be furnished as part of the Common Elements.
- (2). All of the decorating within the Unit Owner's own Unit (initially and thereafter from time to time), including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the common walls and the interior surfaces of the vertical perimeter walls, floors, and ceiling of the Unit Owner's Unit, and such Unit Owner shall maintain such portions in good condition at the Unit Owner's sole expense as may be required from time to time.
- (3). All of the maintenance, repair, and replacements of the Limited Common Elements benefiting the Unit Owner's Unit, in whole or in part, except to the extent as otherwise directed by the Board or as is otherwise provided herein. In addition, each Unit Owner shall be individually responsible for the repair, maintenance and replacement of all door and window locks and hardware with respect to which each Unit Owner is entitled to the exclusive use. In addition, the Unit Owner shall be responsible for all maintenance of any exterior wooden deck of a Unit.
- b. Association's Right to Repair, Maintain and Restore: In the event any Owner shall fail to perform the Unit Owner's maintenance or repair obligations in a manner satisfactory to the Board of Directors of the Association, the Association may, if said failure continues for a thirty (30) day period after written notice to said Owners by the Board, enter upon said unit at any time after expiration of said thirty (30) day period in order to perform any or all of such maintenance or repair. The cost of such maintenance or repair shall be the personal obligation of the Owner(s) of the Unit on which such work is performed, and shall be subject to all of the terms and provisions

applicable to assessments as provided herein, including without limitation interest, late charges, costs, expenses, attorneys' fees, and lien rights.

- c.. **Maintenance of Landscaping:** The Association shall be responsible for the maintenance of all landscaping on the Common Elements, and on those portions of Units not enclosed by a fence or other structure. The "maintenance of all landscaping" as used herein, shall include without limitation having the grass, weeds, trees and vegetation cut, trimmed, sprayed, fertilized, mowed or replaced when necessary.
- d. Access Easement: Each Unit shall be subject to an easement in favor of the Association (including its agents, employees and contractors) for the Association's performance of maintenance as provided in this Article during reasonable hours after reasonable notice to the owners or occupants of any affected Unit, except that in emergency situations entry upon a Unit may be made at any time, provided that the Unit Owners or occupants of affected Units shall be warned of impending emergency entry as early as is reasonably possible. The interior of any residence located on a Unit shall not be subject to such easements as provided for in this section.
- e. Owner's Negligence: Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or reconstruction of the Common Elements, a Unit, or any Improvements located thereon, is caused by the willful or gross negligent act or omission of any Unit Owner, or by the willful or gross act or omission of any member of such Unit Owners' family or by a guest or invitee of such Unit Owner, the personal obligation of such Unit Owner, and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction shall be added to and become part of the assessment to which such Unit Owner's Unit is subject and shall be subject to all of the terms and provisions of this Declaration. A determination of the gross negligence or willful act or omission of any Unit Owner, or any member of an Unit Owner's family or a guest or invitee of any Unit Owner, and the amount of the Unit Owner's liability therefore, shall be determined by the Association at a hearing after notice to the Unit Owner, provided that any such determination which assigns liability to any Unit Owner pursuant to the terms of this Section may be appealed by said Unit Owner to a court of law.
- f. Obligations Related to Easement Agreements: The Association shall be responsible for the repair and maintenance of: storm sewer inlets, piping and appurtenances; storm water retention areas; driveways, access roads, parking areas and lawn areas; street lights; water and sanitary service to units; and the control of storm water, located at or in the real estate. The Association specifically accepts the assignment of, assumes and shall be responsible for compliance with two certain Easement Agreements regarding drainage pipes and easements entered into by the Developer with Janssen Builders, Inc. and M&M Land Developers Corporation dated (and recorded) the 1st day of December, 2008.

EXHIBIT A

Legal Description of Parcel:

A part of the Southeast Quarter of Section 8 in Township 2 South of the Base Line and in Range 8 West of the Fourth Principal Meridian, Adams County, Illinois, being more particularly described as follows:

Lot 6 of Jayden Court Condominium Subdivision, a subdivision of a part of the Southeast Quarter of said Section 8 as recorded in Book 709 at Page 1997 in the Office of the Adams County Recorder of Deeds, containing 0.484 acres, more or less.

Legal Description of Units:

Unit 4614 of Jayden Court Condominiums.

Unit 4616 of Jayden Court Condominiums.

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EXHIBIT B

	Percentage of Ownership
	Interest in the
Unit	Common Elements
4614	50%
4616	50%
TOTAL	100%

EXHIBIT C

BYLAWS OF JAYDEN COURT CONDOMINIUMS ASSOCIATION

ARTICLE I General Provisions

The Association is responsible for the overall administration of the Property through its duly elected Board. Whether or not incorporated, the Association shall have such powers, not inconsistent with the Condominium Property Act (Act), as are now or may hereafter be granted by the Illinois General Not For Profit Corporation Act of 1986. 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 that may be appropriate to promote and attain the purposes set forth in the Act or the Condominium Instruments. All capitalized terms used but not defined herein that are defined in the Declaration of Condominium Pursuant to the Condominium Property Act — Jayden Court Condominiums have the same meaning ascribed to the terms in the Declaration.

ARTICLE II Members

Section 1. Classes of Members, Membership, and Termination Thereof. The Association shall have one class of members. The designation of the class and the qualifications of the members of the class shall be as follows:

Each Unit Owner shall be a member of the Association, which membership shall terminate on the sale or other disposition of the member's Unit, at which time the new Unit Owner shall automatically become a member of the Association. Termination shall not relieve or release any former Unit Owner from any liability or obligation incurred under or in any way connected with the condominium or the Association during the period of ownership and membership in the Association. Furthermore, termination shall not impair any rights or remedies that the Board or others may have against a former Unit Owner arising from, or in any way connected with, ownership and membership and the covenants and obligations incident thereto. No certificates of stock or other certificates evidencing membership shall be issued by the Association.

Section 2. Votes and Voting Rights.

- a. Until the date of the initial meeting of the members, as provided in Article III, Section 1, hereof, the Developer shall have the right to appoint members to the Board of Managers. All such members of the Board of Managers shall be appointed and shall hold office as provided in Article IV, Section 2, of these Bylaws.
- b. Commencing with the date of the first annual meeting of the members, the total number of votes of all members shall be 100. Each member shall be entitled to the

number of votes equal to his or her percentage ownership interest in the Common Elements (as defined in the Declaration) times 100 at the time any matter is submitted to a vote of the members.

- c. If a Unit is owned by more than one person, the voting rights with respect to the Unit shall not be divided, but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting the Unit Owner. Any proxy must be executed in writing by the Unit Owner or his or her duly authorized attorney-in-fact, must bear the date of execution, and shall become invalid 11 months from the date of its execution. If only one of the persons constituting the Unit Owner is present, that person shall be entitled to cast the votes allocated to the Unit. If more than one of the persons constituting the Unit Owner are present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of those persons. Agreement by a majority in interest of those persons shall be deemed to exist if any of the persons casts the votes allocated to the Unit without protest being made promptly to the person presiding over the meeting by any other persons constituting the Unit Owner.
- d. Any specified percentage of the members, whether a majority or otherwise, for purposes of voting or for any other purpose, wherever provided in these Bylaws, shall mean the percentage of the total number of votes hereinabove set forth. The percentage shall be computed in the same manner as is a specified percentage of the Unit Owners of the Condominium as provided in the Declaration, provided, however, that when 30 percent or fewer of the Units, by number, possess over 50 percent in the aggregate of the votes as provided herein, any percentage vote of the members specified herein or in the Declaration shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to Units that would otherwise be applicable.

Section 3. Transfer of Membership. Membership in this Association is not transferable or assignable, except as provided in Article II, Section 1, hereof.

Section 4. Installment Contracts. Anything herein to the contrary notwithstanding, in the event of a sale of a Unit, the purchaser of the Unit pursuant to an installment contract for purchase from a seller other than the Developer shall, during such times as he or she resides in the Unit, be counted toward a quorum for purpose of election of members of the Board at any meeting of the Unit Owners called for the purpose of electing members of the Board and have the right to vote for the election of members of the Board and to be elected to and serve on the Board, unless the seller expressly retains in writing any or all of those rights. In no event may both the seller and purchaser be counted toward a quorum, be permitted to vote for a particular office, or be elected to serve on the Board. Satisfactory evidence of the existence and terms of the installment contract as they relate to the subject matter of this Section shall be made available to the Association or its agents. "Installment contract" shall have the same meaning as set forth in §1(e) of the Dwelling Unit Installment Contract Act, approved August 11, 1967, as amended.

ARTICLE III Meetings of Members

Section 1. Annual Meeting. The election of the initial Unit Owner Board of Managers shall be held on such date as is fixed by the Developer, which date shall in no event be later than the earlier of (a) three years from the date the Declaration is Recorded, (b) sixty days from the date when 75 percent of the Units have been conveyed by the Developer, or (c) such earlier time as selected by the Developer. Thereafter, an annual meeting of the members for the purpose of electing Board members and for the transaction of such other business as may come before the meeting shall be held in the month of September each year, provided, however, that no such meeting need be held less than one year after the first annual meeting of the members. If the election of members of the Board shall not be held when designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members called as soon thereafter as it conveniently may be held. In the event the Developer fails to call the first annual meeting of members by the latest date set forth above, 20 percent of the members may call the first annual meeting by filing a petition to that effect with the Developer, setting forth a date for the meeting. After the filing of the petition, the members filing the petition may send notice of the first annual meeting of members as provided herein and may hold the meeting pursuant to the notice. The Board may disseminate to the members biographical and background information about candidates for election to the Board if reasonable efforts are made to identify all candidates and all candidates are given an opportunity to include biographical information and background material in the information to be disseminated and the Board does not express a preference in favor of any candidate. A Unit Owner shall be entitled to receive from the Board or the Developer acting as the Board as provided herein and in the Act, within three working days after the request therefor, the names, addresses, and weighted vote of each Unit Owner entitled to vote at the next annual meeting of members.

Section 2. Special Meetings. Special meetings of the members may be called by the Board, the President, or not less than 20 percent of the members. All matters to be considered at special meetings of the members called by not less than 20 percent of the members shall first be submitted in writing to the Board not less than ten days before the date of the special meeting of the members called to consider such matters.

Section 3. Place and Time of Meeting. All meetings of the members shall take place at 8:00 p.m., in some section of the Property designated by the person or persons calling the meeting, or at such other reasonable place or time designated by the Board or the person or persons calling the meeting.

Section 4. Notice of Meetings. Written or printed notice stating the purpose, place, day, and hour of any meeting of members shall be mailed or delivered to each member entitled to vote at such meeting not less than 10, nor more than 30, days before the date of the meeting, by or at the direction of the President or the Secretary, or the officer or persons calling the meeting, except that notice of the first annual meeting of the members shall be given to the members at least 21 days prior thereto. The notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the member

at his or her address as it appears on the records of the Association, with proper postage thereon prepaid.

Section 5. Quorum. The members present at a meeting in person or by proxy holding 20 percent of the votes that may be cast at any meeting shall constitute a quorum at the meeting. If a quorum is not present at the commencement of any meeting of members, the meeting shall be adjourned and may be called again only in accordance with the provisions of these Bylaws.

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 or her duly authorized attorney-in-fact. No proxy shall be valid after 11 months from the date of its execution. Any proxy distributed by the Board for election of members of the Board shall give Unit Owners the opportunity to designate any person as the proxy holder and shall give the Unit Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

Section 7. Manner of Acting. Except as set forth below, and except as otherwise required by the Declaration or the Act, any action to be taken at any meeting of the members at which a quorum is present shall be on the affirmative vote of more than 50 percent of the members represented at the meeting. The following matters shall require the affirmative vote of 67 percent or more of all the Unit Owners at a meeting duly called for that purpose:

- a. Merger or consolidation of the Association.
- b. Sale, lease, exchange, or other disposition of all, or substantially all, of the property and assets of the Association.
- c. Purchase and sale of land or Units on behalf of the Unit Owners.

ARTICLE IV Board

Section 1. In General. The affairs of the Association shall be managed by the Board, which shall act as the Board of Managers of the Condominium as provided in the Act and the Declaration.

Section 2. Number, Tenure, and Qualifications. The number of members of the Board shall initially be three. Until the date of the first annual meeting of the members as hereinabove provided, members of the Board shall be the directors named in the Articles of Incorporation of the Association if the Association is incorporated; otherwise, the members of the Board shall be as appointed by the Developer. Those members of the Board shall hold office until the first annual meeting of the members. Commencing with the date of the first annual meeting of the members, the number of members of the Board shall be increased to five, and members of the Board shall be elected solely by, from, and among the members of the Association for a term of one year and until their respective successors shall have been elected and qualified. All members of the Board shall be

elected at large. Each member of the Board shall hold office without compensation. In the event that a member of the Association is a corporation, partnership, trust, or other legal entity other than a natural person or persons, then any shareholder, officer, or director of the corporation, partner of the partnership, beneficiary or individual trustee of the trust, or manager of the other legal entity may be eligible to serve as a member of the Board. If there are multiple owners of a single Unit, only one of the multiple owners shall be eligible to serve as a member of the Board at any one time. A member of the Board may succeed himself or herself in office.

Section 3. Election. At each annual meeting of the members, the members shall be entitled to vote on a cumulative basis, and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. A candidate for election to the Board or the candidate's representative shall have the right to be present at the counting of the ballots at the election. The Board may disseminate to Unit Owners biographical and background information about candidates for election to the Board if (a) no preference is expressed in favor of any candidate and (b) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated.

Section 4. Regular Meetings. A regular annual meeting of the Board shall be held immediately after and at the same place as the annual meeting of members. The Board shall, by regulations that the Board may from time to time adopt, provide the time and place for the holding of additional regular meetings of the Board, provided that the Board shall meet at least four times per year.

Section 5. Special Meetings. Special meetings of the Board may be called by or at the request of the President or 25 percent of the members of the Board. The person or persons permitted to call special meetings of the Board may fix the time and place for holding any special meeting of the Board called by them.

Section 6. Notice. Written notice of any special meeting of the Board shall be mailed or delivered to all members of the Association and all members of the Board not calling the meeting at least 48 hours before the date of the special meeting. Written notice of regular meetings of the Board shall be mailed or delivered to all members of the Association at least 48 hours before the date of each meeting. All such notices shall be deemed to be mailed when deposited in the United States mail addressed to each member at his or her address as it appears on the records of the Association, with proper postage thereon prepaid. The business to be transacted at or the purpose of any regular or special meeting of the Board shall be specified in the notice. Notices of regular meetings of the Board need not be served on members of the Board. However, copies of notices of meetings of the Board shall be posted in entranceways or other conspicuous places in the condominium designated by the Board at least 48 hours before the meeting.

Section 7. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the members of the Board are present at the commencement of the meeting, the meeting shall be adjourned and may be called again only in accordance with the provisions of these Bylaws.

Section 8. Manner of Acting. The act of a majority of the members of the Board present at the meeting at which a quorum is present at the commencement of the meeting shall be the act of the Board, except when otherwise provided by law or in the Condominium Instruments.

Section 9. Vacancies. Any vacancy occurring in the Board by reason of death, removal, or resignation of a member of the Board shall be filled by the two-thirds vote of the remaining members of the Board. A member elected by the Board to fill a vacancy shall serve until the next meeting of the members; provided, however, that if a petition is filed with the Board signed by members holding 20 percent of the votes of the Association requesting a meeting of the members to fill the vacancy for the balance of the unexpired term of office of his or her predecessor, the term of the member so elected by the Board shall terminate 30 days after the filing of the petition, and a meeting of the members for the purpose of filling the vacancy for the unexpired term shall be called no later than 30 days following the filing of the petition. Members of the Board, including those appointed by the Developer, may resign at any time by written resignation delivered or mailed to any officer of the Association, which resignation shall be effective on receipt. If, as a result of the death, removal, or resignation of a member of the Board, no member of the Board remains in office, a special meeting of members may be called to fill all vacancies for the unexpired terms of the members of the Board.

Section 10. Removal. From and after the date of the first annual meeting of the members, any member of the Board may be removed from office by the affirmative vote of $66^2/3$ percent of all the members of the Association at a special meeting called for that purpose.

Section 11. Adoption of Rules and Regulations. All rules and regulations, or amendments thereto, shall be adopted by the Board after a meeting of the members called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations, which rules and regulations conform to the requirements of the Act and the Declaration and these Bylaws. No quorum is required at the meeting of the members. No rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United State or §4 of Article I of the Illinois Constitution.

Section 12. Open Meetings. All meetings of the Board, whether regular or special, shall be open to the members of the Association, except for meetings

- To discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent;
- b. To consider information regarding appointment, employment, or dismissal of an employee; or
- c. To discuss violations of rules and regulations of the Association, or a member's unpaid share of Common Expenses.

Any vote on the above matters shall be taken at a meeting, or portion thereof, open to any member. Any member may record the proceedings at meetings required to be open by the Act or these Bylaws by tape, film, or other means, subject to reasonable rules and regulations prescribed by the Board to govern the right to make such recordings.

Section 13. Contracts. The Board may not enter into a contract with a current Board member or with a corporation or partnership in which a Board member or a Board member's family has a 25 percent or more interest unless notice of intent to enter the contract is given to Unit Owners within 20 days after a decision is made to enter into the contract and the Unit Owners are afforded an opportunity by filing a petition, signed by 20 percent of the Unit Owners, for an election to approve or disapprove the contract. The petition shall be filed within 20 days after the notice, and the election shall be held within 30 days after filing the petition. For purposes of this Section 13, a Board member's immediate family means the Board member's spouse, parents, and children.

Section 14. Powers and Duties. The powers and duties of the Board shall include, but not be limited to, the operation, care, upkeep, maintenance, replacement, and improvement of the Common Elements. However, nothing in the foregoing sentence shall be deemed to invalidate any provision in the Condominium Instruments placing limits on expenditures for capital additions or capital improvements to the Common Elements (other than for purposes of repairing, replacing, or restoring portions of the Common Elements) by the Board without the prior approval of the Unit Owners.

Section 15. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any question of interpretation or application of the provisions of the Declaration, the rules and regulations, or the Bylaws, the determination thereof by the Board shall, absent manifest error, be final and binding on each and all of the Unit Owners.

ARTICLE V Officers

Section 1. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board), a Treasurer, and a Secretary.

Section 2. Election and Term of Office. The President, Secretary, Treasurer, and Vice President or Vice Presidents of the Association shall be elected annually by the Board at the first regular meeting of the Board held after the annual meeting of the members from among the members of the Board. If the election of officers shall not be held at this meeting, the election shall be held as soon thereafter as conveniently may be possible. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until a successor shall have been duly elected and shall have qualified. An officer may succeed himself or herself in office. Officers shall serve without compensation.

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

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term of the member of the Board no longer serving.

Section 5. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the members and of the Board. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, contracts, or other instruments the Board has authorized to be executed, and any amendment to the Declaration or Plat as provided in the Act, and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 6. Vice President. In the absence of the President, or in the event of the President's inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents, in order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions on the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board.

Section 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for money due and payable to the Association from any source whatsoever, and deposit all such money in the name of the Association in those banks, trust companies, or other depositaries as shall be selected in accordance with the provisions of Article VII of these Bylaws; 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 by the President or by the Board.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; receive all notices on behalf of the Association; together with the President, execute on behalf of the Association amendments to the Condominium Instruments and other documents as required or permitted by the Declaration, these Bylaws, or the Act; be custodian of the records and, if the Association is incorporated, of the seal of the Association and, if the Association is incorporated, see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

ARTICLE VI Powers and Duties of the Association and Board

Section 1. General Duties, Powers, etc., of the Board. The Board shall exercise for the Association all powers, duties, and authority vested in the Association by the Act and the Condominium Instruments, including but not limited to the following:

- a. To provide for the operation, care, upkeep, maintenance, replacement, and improvement of the Common Elements to the extent the operation, care, upkeep, maintenance, replacement, and improvement of Limited Common Elements are not imposed on Unit Owners hereunder;
- b. To prepare, adopt, and distribute the annual budget for the Property;
- c. To levy and expend assessments;
- d. To collect assessments from Unit Owners;
- e. To provide for the employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements;
- f. To obtain adequate and appropriate kinds of insurance;
- g. To own, convey, encumber, lease, and otherwise deal with Units and land conveyed to or purchased by it;
- h. To adopt and amend rules and regulations covering the details of the operation and use of the Property, but no such rule or regulation shall make improper or illegal any program or activity of the Developer that, immediately prior to the adoption or amendment of the rule or regulation, was otherwise proper or legal hereunder;
- i. To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;
- j. To have access to each Unit, from time to time, as may be necessary for the maintenance, repair, or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units;
- k. To borrow money at such rates of interest as it may determine, issuing its notes, bonds, and other obligations to evidence the borrowing, and securing any of its obligations by making a mortgage or giving a security interest in all or any of its property or income;
- To pay real estate property taxes, special assessments, and any other special taxes
 or charges of the State of Illinois or of any political subdivision thereof or other
 lawful taxing or assessing body that are authorized by law to be assessed and
 levied on the real property of the condominium (other than assessments on Units
 not owned by the Association);

- m. To impose charges for late payments of a Unit Owner's proportionate share of the Common Expenses, or any other expenses lawfully agreed on, and after notice and an opportunity to be heard, levying reasonable fines for violation of the Declaration, Bylaws, and rules and regulations of the Association;
- n. To assign the Association's rights to future income, including the right to receive assessments for Common Expenses;
- o. To record the dedication of a portion of the Common Elements to a public body for use as, or in connection with, a street or utility, when authorized by the members under the provisions of Subparagraph 5c of the Declaration;
- p. To record the granting of an easement for the laying of cable television cable when authorized by the members under the provisions of Subparagraph 5c of the Declaration;
- q. To record the granting of an easement for construction, maintenance, or repair of a project for protection against water damage or erosion; and
- r. To make reasonable accommodation of the needs of handicapped Unit Owners, as required by the Illinois Human Rights Act, in the exercise of its powers with respect to the use of the Common Elements or approval of modification in an individual Unit.

In the performance of their duties, the officers and members of the Board shall exercise, whether appointed by the Developer or elected by the members, the care required of a fiduciary of the members.

Section 2. Specific Powers and Duties. Anything herein contained to the contrary notwithstanding, the Association shall have the following powers:

- a. To engage the services of a manager or managing agent, who may be any person, firm, or corporation, on such terms and compensation as the Association deems fit, and to remove the manager or managing agent at any time, provided any agreement with the manager or managing agent shall extend for not more than 3 years and must be terminable by either party to the agreement without cause and without payment of a termination fee, on 90 days' or less prior written notice;
- b. To engage the services of any person (including but not limited to accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Association in the operation, repair, maintenance, and management of the Property or in connection with any duty, responsibility, or right of the Association and to remove, at any time, any such personnel;
- c. To establish or maintain one or more bank accounts for the deposit of any funds paid to or received by the Association;

- d. To invest any funds of the Association in certificates of deposit, money market funds, or comparable investments; and
- e. Upon authorization of a two-thirds vote of the members of the Board, or by affirmative vote of not less than a majority of the Unit Owners at a meeting duly called for that purpose, acting on behalf of all Unit Owners, to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments, or charges of the State of Illinois or any political subdivision thereof or of any lawful taxing or assessing body, and to charge and collect all expenses incurred in connection therewith as Common Expenses.

Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Unit Owners or any of them. The granting of licenses, leases, or concessions as provided in Paragraph 4 of the Declaration shall not be considered conducting an active business for profit.

- Section 3. Authorized Expenditures. The Association shall acquire and make arrangements for, and pay for out of the Maintenance Fund, in addition to the manager, managing agent, or other personnel above provided for, the following:
 - a. Water, waste removal, heating, electricity, telephone, or other necessary utility services for the Common Elements and such services to the Units as are not separately metered or charged to the owners thereof;
 - b. Such insurance as the Association is required or permitted to obtain as provided in the Declaration:
 - c. Landscaping, gardening, snow removal, tuck-pointing, and painting, cleaning, decorating, maintaining, repairing, and replacing portions of the Common Elements (but not including the Limited Common Elements, which the Unit Owners enjoying the use thereof shall paint, clean, decorate, maintain, and repair) and such furnishings and equipment for the Common Elements as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire such furnishings and equipment for the Common Elements;
 - d. Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments that the Association deems necessary or proper for the maintenance and operation of the Property or for the enforcement of any restrictions or provisions contained herein;
 - e. Any amount necessary to discharge any mechanics lien or other encumbrance levied against the Property or any part thereof that may in the opinion of the Association constitute a lien against the Property or against the Common Elements rather than merely against the interest therein of particular Unit Owners; when one or more Unit Owners are responsible for the existence of such a lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Association by reason of the lien or liens shall be specially

assessed to the Unit Owners and shall, until paid by the Unit Owners, constitute a lien on the interest of the Unit Owners in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses;

- f. Maintenance and repair of any Unit or any other portion of the Property that a Unit Owner is obligated to maintain or repair under the terms hereof, if the maintenance or repair is necessary, in the discretion of the Association, to protect the Common Elements or any other portion of the Property, and the owner of the Unit has failed or refused to perform the maintenance or repair within a reasonable time after written notice of the necessity of the maintenance or repair is delivered by the Association to the Unit Owner; provided that the Association shall levy a special assessment against the Unit Owner for the cost of the maintenance or repair, and the amount of the special assessment shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses; and
- g. Maintenance and repair (including payment of real estate taxes and Common Expenses) with respect to any Unit owned by the Association.

If, due to the act or neglect of a Unit Owner or of a member of his or her family or of a household pet or guest or other authorized Occupant or visitor of the 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 that would otherwise be a Common Expense, the assessment against the Unit Owner of a charge for the damage and the maintenance, repairs, and replacements as may be determined by the Board, to the extent not covered by insurance, and the amount of the special assessment shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in §9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

All expenses, charges, and costs of the maintenance, repair, or replacement of the Common Elements, and any other expenses, charges, or costs that the Association may incur or expend pursuant thereto, shall be approved by the Association, and a written memorandum thereof shall be prepared and signed by the Treasurer. There shall be no structural alterations to, capital additions to, or capital improvements on the Common Elements or property owned by the Association (other than for purposes of repairing, replacing, and restoring existing portions of the Common Elements) requiring an expenditure in excess of \$5,000 without the prior approval of 67 percent of the Unit Owners. Separate or special assessments for additions or alterations to the Common Elements or to Association-owned property not included in an Annual Budget (defined in Article VI, Section 4, of the Bylaws) are subject to the approval of 67 percent of the Unit Owners.

As used herein, the term "repairing, replacing, and restoring" means to repair, replace, or restore deteriorated or damaged portions of the then-existing decorations, facilities, structural or mechanical components, interior or exterior surfaces, or energy

systems and equipment to their functional equivalent prior to the deterioration or damage. In the event the replacement of a Common Element may result in an improvement over the quality of that Common Element as originally designed, the Board may provide for the improvement, provided that if the improvement is over and above the functional equivalency of what existed before and results in a proposed expenditure in excess of 5 percent of the Annual Budget, the Board, on receipt of a written petition by Unit Owners with 20 percent of the votes of the Association, within 14 days after the Board's action to approve the expenditure, shall call a special meeting of Unit Owners within 30 days after its receipt of the petition. Unless a majority of the total votes of the Unit Owners are cast at this special meeting to reject the expenditure, the Board's decision to make the expenditure is ratified.

Section 4. Annual Budget.

- a. Each year, on or before November 1st, the Board shall estimate the annual budget of Common Expenses (Annual Budget), including the total amount required for the cost of wages, materials, insurance, services, and supplies that will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements (as hereinafter specified) and each Unit Owner's proposed assessment for Common Expenses, together with an indication of which portions of the Annual Budget are intended for capital expenditures or repairs or payment of real estate taxes. The Board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least 30 days before the adoption thereof. The Association shall give Unit Owners notice as provided in Article III, Section 4, of the Bylaws of the meeting of the Board at which the Board proposes to adopt the Annual Budget or at which any increase or establishment of any assessment, regular or special, is proposed to be adopted.
- b. If the Annual Budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessment or any nonrecurring Common Expenses or any Common Expenses not set forth in the Annual Budget as adopted, the Board may at any time levy a further assessment, which shall be separately assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements, and which may be payable in one lump sum or such installments as the Board may determine. The Board shall serve notice of the further assessment on all Unit Owners (as provided in Article III, Section 4, of the Bylaws) by a statement in writing, giving the amount and reasons therefor, and the further assessment shall become effective and shall be payable at such time or times as determined by the Board. All Unit owners shall be obligated to pay the further assessment.
- c. If an adopted Annual Budget or any special assessment requires assessment against Unit Owners in any year exceeding 115 percent of the assessments (both regular and special, if any) for the preceding year, the Board, on written petition by Unit Owners representing 20 percent of the votes of the Association delivered to the Board within 14 days of the Board action, shall call a meeting of the Unit Owners within 30 days of the date of delivery of the petition to consider the budget or special assessment. Unless a majority of the votes of the Unit Owners are cast at a meeting to reject the budget or special assessment, it is ratified. In determining whether special assessments, together

with regular assessments, exceed 115 percent of similar assessments in the preceding year, any separate assessment for expenditures relating to emergencies or mandated by law shall not be included in the computation and the Board may approve the assessment without the right of Unit Owner veto set forth in this paragraph. As used herein, "emergencies" mean an immediate danger to the structural integrity of the Common Elements or to the life, health, safety, or property of the Unit Owners.

- d. The Annual Budget shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. Each Unit Owner shall be obligated to pay to the Association, or as it may direct, the portion of the Annual Budget assessed to the Owner in equal monthly installments (subject to acceleration as hereinafter provided) on or before January 1st of the ensuing year, and the 1st day of each and every month of that year. Notwithstanding the foregoing, assessments will not begin until such time as the Developer elects to stop paying all Association expenses; provided, however, that the Board will begin assessing all Unit Owners if and when a request is made therefor by Freddie Mac, Fannie Mae, HUD, FHA, or VA.
- e. The failure or delay of the Association to prepare or serve the Annual Budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owners' obligation to pay the maintenance and other costs and necessary Reserves, as herein provided, whenever the amounts shall be determined, and in the absence of any annual or adjusted budget, the Unit Owners shall continue to pay the monthly assessment charges at the then-existing monthly rate established for the previous period until the monthly assessment payment that is due more than ten days after the new annual Budget shall have been mailed.
- f. Anything herein or in the Declaration to the contrary notwithstanding, the Board may charge to fewer than all Unit owners the portion of the insurance premium for insurance the Association is required or permitted to obtain that reflects increased charges for coverage on the Units owned by those Unit Owners, on such reasonable basis as the Board shall determine. The charge shall be considered a Common Expense with respect to the Units owned by the Unit Owners for all purposes herein and under the Declaration.
- g. All funds collected hereunder shall be held and expended solely 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 special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use, and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.

Section 5. Annual Accounting.

a. On or before the 1st day of April of each calendar year commencing 2010, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with an indication of which portions of the Annual Budget were for capital expenditures or repairs or payment of real estate taxes, and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income

over expenditures plus Reserves. Any amount accumulated in excess of the amount required for actual expenses and Reserves shall be credited according to each Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year's Annual Budget, until exhausted, and any net shortage shall be added, according to each Unit Owner's percentage of ownership of the Common Elements, to the installments due in the succeeding six months after rendering of the accounting.

- b. The Association shall allow any First Mortgagee to examine the books and records of the Association during reasonable business hours and to receive, on request, annual reports and other financial data prepared by the Association, or at its direction.
- c. The Association shall provide an audited financial statement for the preceding fiscal year within 120 days after the end of the fiscal year on submission of a written request by any holder, insurer, or guarantor of a first mortgage secured by a Unit.

Section 6. Reserves.

- a. The Association shall build up and maintain a reasonable Reserve for operations, contingencies, and replacement. To establish the Reserve, the Developer shall collect from each Unit Owner, on conveyance by the Developer of a Unit to the Unit Owner, an amount equal to one sixth of the Annual Budget as initially established by the Developer for the first year following the first annual meeting of the members and shall remit that amount to the Association. Extraordinary expenditures not originally included in the Annual Budget that may become necessary during the year shall be charged first against the Reserve. In addition, the Association or the Board shall have the right to segregate all or any portion of the Reserve for any specific replacement or contingency on such conditions as the Association or the Board deems appropriate. On or before the day of the first annual meeting of members, the Developer shall pay for each Unit then owned by the Developer that Unit's percentage interest multiplied by one sixth of the Annual Budget as initially established by the Developer for the first year following the first annual meeting of members. When the Units are later sold, the Developer may collect from the purchasers of the Units sufficient funds to reimburse itself for the funds paid at the time of the first annual meeting of the members. The Developer may not use any of the Reserves to defray any of its expenses or make up any budget deficits while the Developer is in control of the Association.
- b. The Annual Budget shall provide for reasonable Reserves for capital expenditures and deferred maintenance for repair or replacement of the Common Elements. To determine the amount of Reserves appropriate for the Association, the Board shall take into consideration the following: (1) the repair and replacement cost and the estimated useful life of the property the Association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the Building and Common Elements, and energy systems and equipment; (2) the current and anticipated return on investment of Association funds; (3) any independent professional Reserve study the Association may obtain; (4) the financial impact on Unit Owners, and the market value of the Units, of any assessment increase needed to fund Reserves; and (5) the ability of the Association to obtain financing or refinancing. Anything to the contrary in the foregoing

notwithstanding, the Association may elect to waive in whole or in part the Reserve requirements of this section by a vote of not less than 67 percent of the total votes of the Association. In the event the Association elects to waive all or part of the Reserve requirements of this section, that fact must be disclosed after the meeting at which the waiver occurs by the Association in the financial statements of the Association and, highlighted in bold print, in the response to any request of a prospective purchaser for the information prescribed under §22.1 of the Act, and no member of the Board or the managing agent of the Association shall be liable, and no cause of action may be brought for damages against these parties, for the lack or inadequacy of Reserve funds in the Annual Budget. If the Association elects to waive all or part of the Reserve requirements, the Association may by a vote of not less than 67 percent of the total votes of the Association elect to again be governed by the Reserve requirements of this section.

Section 7. Default in Payment. If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for 30 days, the Association may assess a late fee in an amount to be determined by the Board and adopted as part of the Association rules and regulations. The late fee shall be charged for each month or part thereof that the balance, or any part thereof, remains unpaid. The Association may bring suit for and on behalf of itself, and as representative of all Unit Owners, to enforce collection thereof or to foreclose the lien therefor as provided by law; and there shall be added to the amount due the costs of the suit, together with legal interest and reasonable attorneys' fees to be fixed by the court. In addition, the Association may also take possession of the defaulting Unit Owner's interest in the Property and maintain an action for possession of the Unit in the manner provided by law. 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 or her Unit.

Section 8. Books of Account and Statement of Account.

- a. The Association shall keep full and correct books of account, which shall be open for inspection by any Unit Owner, or any representative of a Unit Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Unit Owner. All funds collected hereunder shall be held and expended solely 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 special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use, and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.
- b. Upon ten days' notice to the Association, any Unit Owner shall be furnished a statement of his or her account setting forth the amount of any unpaid assessments or other charges due and owing from that Unit Owner.

Section 9. Other Powers and Duties. The Association may number and assign to any Unit Owner the exclusive privilege to use for storage purposes any portion of the Property designated for those purposes; provided, however, that the Association shall have the right of access to all such storage spaces that contain pipes or other portions of the Common Elements that the Association has the duty or right to maintain, repair, or

replace. Any such designation by the Association shall not thereafter be changed except on the affirmative vote of a majority of the Unit Owners. All property stored in any storage area shall be at the sole risk of the respective Unit Owner who has the privilege to use it, and neither the Association nor any other Unit Owner shall be considered a bailee, or otherwise responsible therefor.

ARTICLE VII Contracts, Checks, Deposits, and Funds

- Section 1. Contracts. The Board may authorize any officer or officers or agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and that 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 Association shall be signed by such officer or officers, or agent or agents, of the Association, and in such manner, as shall from time to time be determined by resolution of the Association. In the absence of such a determination by the Association, the instruments shall be signed by the Treasurer and countersigned by the President of the Association.
- Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositaries as the Board may select.

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

ARTICLE VIII Books and Records

Section 1. Maintaining Books and Records. The Association shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board.

Section 2. Availability for Examination.

- a. The manager or Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgagees and their duly authorized agents or attorneys:
 - 1. Declaration, Bylaws, Plats of survey, and all amendments of these;
 - 2. Rules and regulations of the Association;
 - 3. The Articles of Incorporation and all amendments to the Article of Incorporation;

- 4. Minutes of all meetings of the Association and its Board for the immediately preceding seven years;
- 5. All current policies of insurance;
- 6. All contracts, leases, and other agreements then in effect to which the Association is a party or under which the Association or the Unit Owners have obligations or liabilities;
- 7. A current listing of the name, address, and weighted vote of all members entitled to vote;
- 8. Ballots and proxies related to ballots for all matters voted on by the members of the Association during the immediately preceding 12 months, including but not limited to the election of members of the Board; and
- 9. The books and records of account for the Association's current and 10 immediately preceding fiscal years, including but not limited to itemized and detailed records of all receipts and expenditures.
- b. Any members of the Association shall have the right to inspect, examine, and make copies of the records described in subdivisions 1, 2, 3, 4, and 5 of Paragraph a of this Section, in person or by agent, at any reasonable time or times, at the Association's principal office. In order to exercise this right, a member must submit a written request to the Board or its authorized agent, stating with particularity the records sought to be examined. Failure of the Board to make available all records so requested within 30 days of receipt of the member's written request shall be deemed a denial.

Any member who prevails in an enforcement action to compel examination of records described in subdivisions 1, 2, 3, 4, and 5 of Paragraph a of this Section shall be entitled to recover reasonable attorneys' fees and costs from the Association.

The actual cost to the Association of retrieving and making requested records available for inspection and examination under this Section shall be charged by the Association to the requesting Unit Owner. If a Unit Owner requests copies of records requested under this Section, the actual costs to the Association of reproducing the records shall also be charged by the Association to the requesting Unit Owner.

A reasonable fee covering the direct out-of-pocket cost of providing the information and copying may be charged by the Association or the Board.

ARTICLE IX Fiscal Year

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

ARTICLE X

Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of the General Not For Profit Corporation Act of 1986 of the State of Illinois or under the provisions of the Articles of Incorporation or Bylaws of the Association or the Declaration, a waiver thereof (subject to all the provisions of those instruments) in writing signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of notice.

ARTICLE XI Amendments to Bylaws

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted on the affirmative vote of 67 percent of all of the members at a regular meeting, or at any special meeting called for that purpose, by recording an instrument in writing setting forth the alteration, amendment, or repeal that is signed and acknowledged by an authorized member of the Board and that contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained.

ARTICLE XII Liability of Board Members and Officers; Indemnification

Neither the directors nor the officers of the Association shall be liable to the Association or the Unit Owners for any mistake of judgment, or for any other acts or omissions of any nature whatsoever, as directors and officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Association shall defend, indemnify, and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association), by reason of the fact that the person is or was a director or officer of the Association against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with the action, suit, or proceeding if that person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association or. with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of the action, suit, or proceeding, as authorized by the Board in the specific case, on receipt of an undertaking by or on behalf of the director or the officer of the Association to repay the amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the

Association as authorized in this Article. The sums necessary to discharge the obligations of the Association under this Article shall be Common Expenses.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in other capacity while holding office, and shall continue as to a person who has ceased to be a director or an officer of the Association. Directors appointed by the Developer, and officers elected by directors appointed by the Developer, shall be entitled to all the protections of this Article.

ARTICLE XIII Construction

- a. Nothing hereinabove contained shall in any way be construed as altering, amending, or modifying the Declaration. The Declaration and these Bylaws shall always be construed to further the harmonious, beneficial, cooperative, and proper use and conduct of the Property. If there is any inconsistency or conflict between these Bylaws and the aforesaid Declaration, the provisions of the Declaration shall control.
- b. All words and terms used herein that are also used in the Declaration shall have the same meaning as in the Declaration.
- c. In the event the Association is incorporated, the words "Board of Directors" and "Director" shall be substituted for the words "Board" and "Member of the Board," respectively, wherever they appear herein.

Book: 709 Page: 3408

EXHIBIT D

[see attached]

Book: 709 Page: 3408

EXHIBIT E

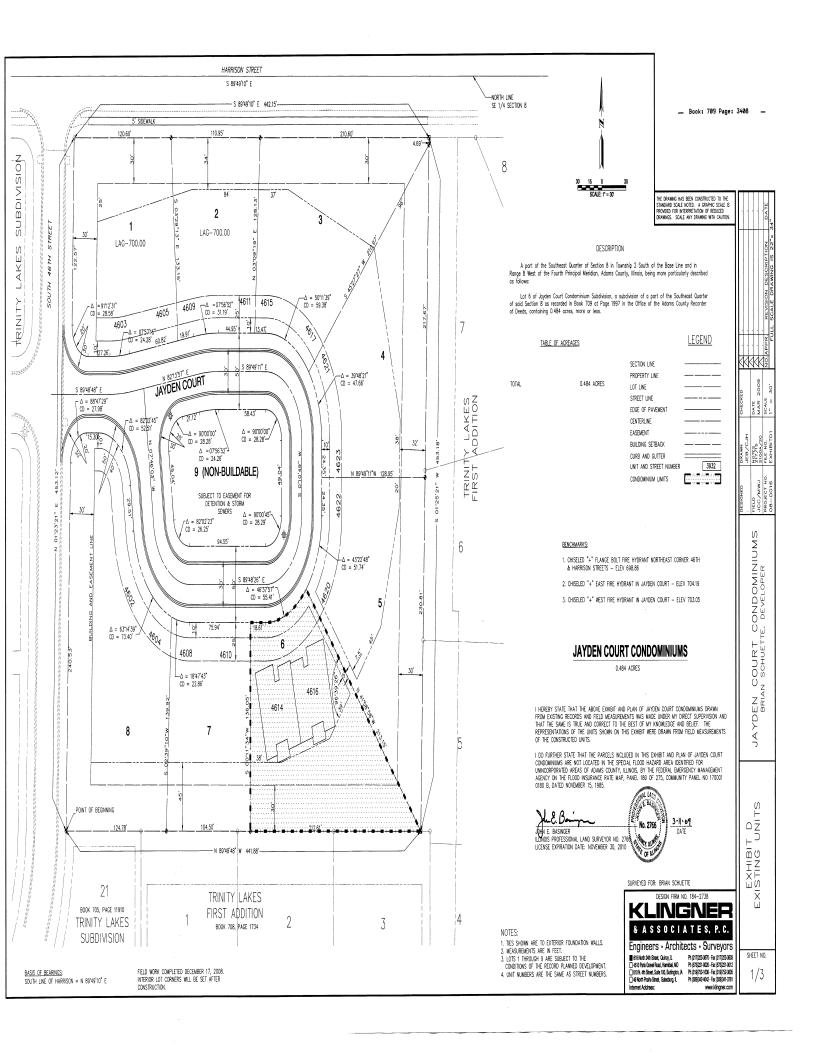
Legal Description of Additional Land:

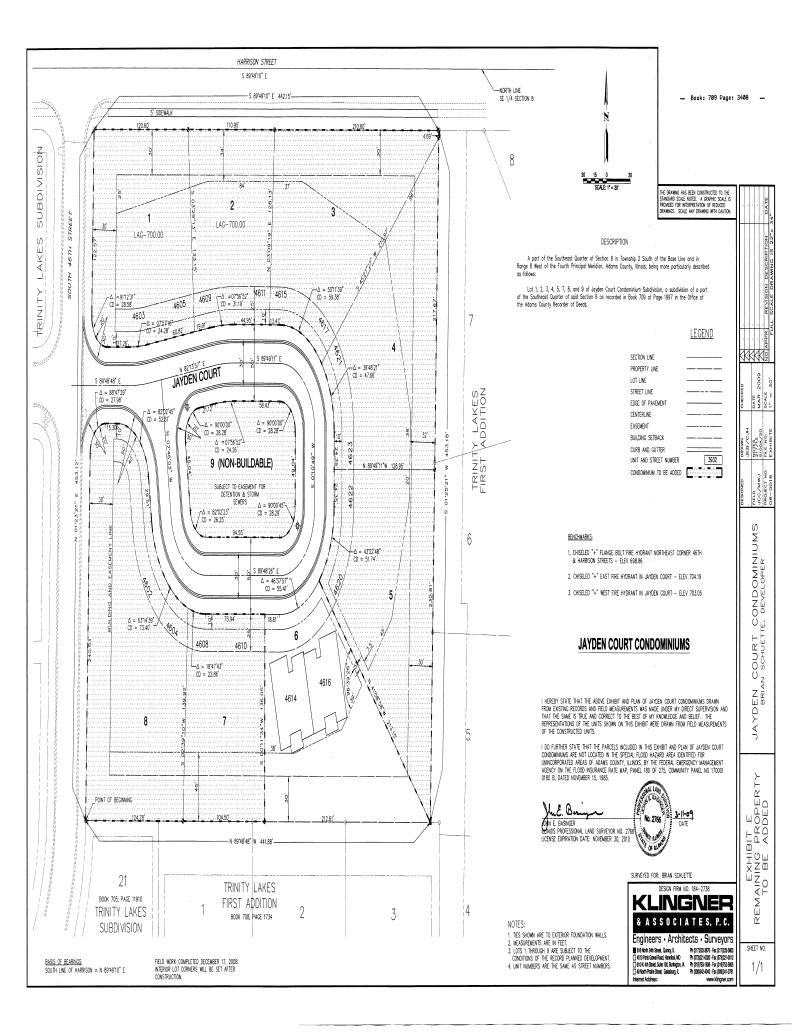
A part of the Southeast Quarter of Section 8 in Township 2 South of the Base Line and in Range 8 West of the Fourth Principal Meridian, Adams County, Illinois, being more particularly described as follows:

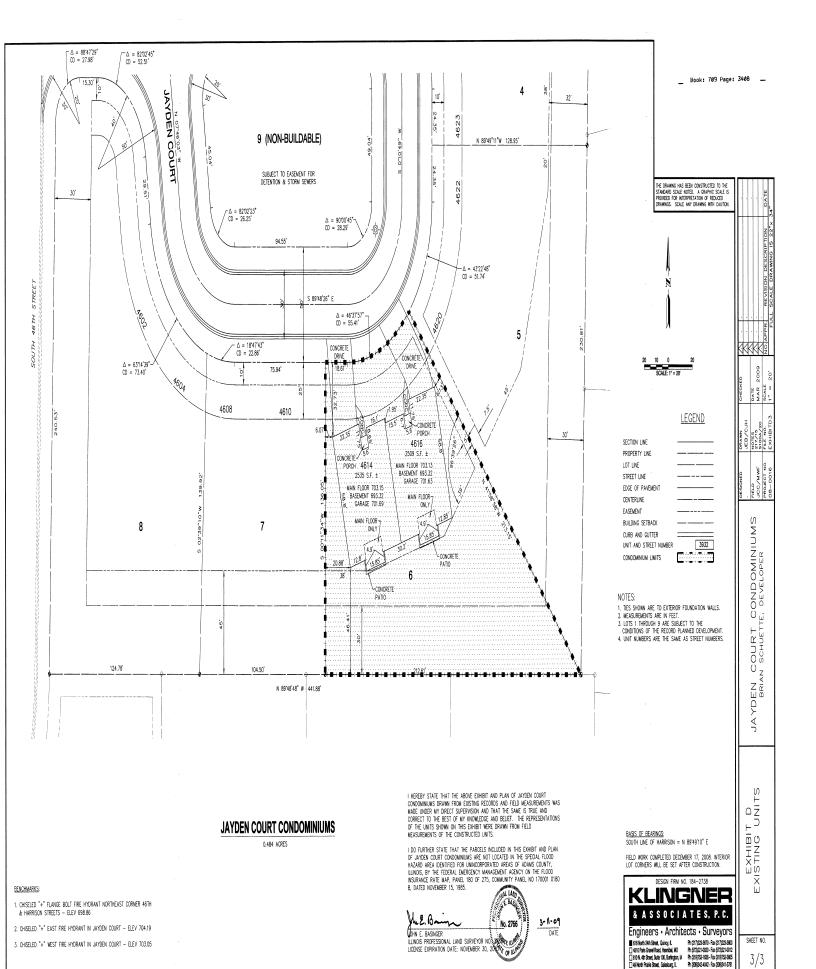
Lots, 1, 2, 3, 4, 5, 7, 8 and 9 of Jayden Court Condominium Subdivision, a subdivision of a part of the Southeast Quarter of said Section 8 as recorded in Book 709 at Page 1997 in the Office of the Adams County Recorder of Deeds.

Plat of Addition Land is attached hereto.

[see attached plat]







Ph (309)340-4040 - Fax (309)341-3781

Internet Address:

