

Prepared by/return to:

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DRAFT

**DECLARATION OF PROPERTY OWNERSHIP
AND OF EASEMENTS, RESTRICTIONS AND COVENANTS**

FOR

SUNDANCE RESIDENCES

THIS DECLARATION OF PROPERTY OWNERSHIP AND EASEMENTS, RESTRICTIONS AND COVENANTS (this “Declaration”) is made and entered into as of _____, 2021 by Axios Ventures, LLC, an Illinois limited liability company, as Developer and Owner (hereinafter collectively referred to as the “Declarant”).

WITNESSETH:

WHEREAS, the Declarant holds legal title or interests in and to the parcel of real estate situated in the Village of Warrenville, County of DuPage, State of Illinois described in **Exhibit A** attached hereto and made a part hereof (the “Property”).

WHEREAS, the Declarant desires and intends to subject the real property together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, all rights and privileges pertaining thereto, and all easements appurtenant thereto (hereinafter referred to as the “Property”) to be submitted to the provisions of the Condominium Property Act of the State of Illinois (hereinafter referred to as the “Act”), thereby establishing certain rights, privileges and easements in, over and upon the Property and certain restrictions and obligations with respect to the use and maintenance thereof;

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

NOW, THEREFORE, the Declarant hereby **DECLARES AS FOLLOWS**:

ARTICLE I
DEFINITIONS

Certain words and terms used in this Declaration are defined as follows:

1.01 Act. The Condominium Property Act of the State of Illinois, as amended from time to time.

1.02 Association. The Association of all of the Unit Owners, whether or not incorporated under the Illinois General Not For Profit Corporation Act, and known as “Sundance **Residences** Property Owners’ Association.”

1.03 Board. The Board of Directors, consisting of the parties determined pursuant to the By-Laws vested with the authority and responsibility of administering the Property.

1.04 Building. Any structure, attached or unattached, located on the Property.

1.05 By-Laws. The provisions for administration of the Property, including, but not limited to, membership, meetings, offices, powers, assessments and maintenance, attached as **Exhibit B** to this Declaration.

1.06 Common Elements and Limited Common Elements. Common Elements are all portions of the Property except the Units (including Limited Common Elements) unless otherwise specified.

1.07 Common Expenses. The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board of the Unit Owners’ Association.

1.08 Condominium Instruments. All of the documents and authorized amendments thereto, recorded pursuant to the provisions of the Act, including the Declaration, By-Laws and Plat.

1.09 Declaration. The instrument by which the Property is submitted to the provisions of the Act, and all amendments thereto.

1.10 Developer. Vintage Luxury Homes, an Illinois limited liability company.

1.11 First Mortgagee. An owner of a bona fide first mortgage or first trust deed covering any portion of the Property including Lender.

1.9 Grantor. an Owner on whose Unit an easement lies, it being intended that the subject easement shall thereby bind and include such Owner and its successors and assigns.

1.10 Grantee. An Owner for whose benefit an easement is expressly granted, it being intended that the subject easement shall benefit and include such Owner and its successors and assigns.

1.12 Limited Common Elements. Limited Common Elements are a portion of the Common Elements designated in the Declaration as being reserved for the use of certain Units to the exclusion of other Units. Any portion of the Common Elements which, by the terms of the Declaration or by its nature

or location, is clearly intended to serve exclusively a certain Unit or Units (but less than all of the Units), or the owner or owners thereof, shall be deemed a Limited Common Element.

1.14 Occupant. A person or persons, other than a Unit Owner, in possession of, or having possessory or other rights in, a Unit.

1.15 Parcel. Each of the tracts of real Property above described, submitted to the provisions of the Act.

1.16 Parking Area. The part of the Common Elements provided for the parking of automobiles.

1.17 Parking Space. A part of the parking area intended for the parking of a single automobile.

1.18 Permittee. shall mean all Occupants and the officers, directors, employees, agents, contractors, customers, vendors, suppliers, visitors, invitees, licensees, subtenants, and concessionaires of Occupants insofar as their activities relate to the intended development, use and occupancy of any Unit.

1.19 Person. A natural person or a corporation, partnership, trust, trustee or other legal entity capable of holding title to real property.

1.19 Plat. The plat or plats of survey of the Parcel and of the Units in the Property submitted to the provisions of the Act, said plat or plats being attached hereto as **Exhibit C** hereof.

1.20 The Property. All land, property and space comprising the Parcel, all buildings, improvements and structures erected, constructed or contained therein or thereon, all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

1.21 Record. To record, or the recording of, any instrument in the Office of the Recorder of Deeds of DuPage County, Illinois.

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

1.23 Unit. A part of the Property designed and intended for any type of independent use or such other uses permitted by the Declaration and designated on the Plat as a Unit.

1.24 Unit Owner. The person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and its appurtenant undivided ownership interest in the Common Elements.

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

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

1.27 Village. The Village of Warrenville, Illinois, a municipal corporation.

1.28 Voting Member or Owner. One person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners.

1.29 Lender. _____, its successors and assigns, the Developer's lender, executing the Mortgagee's Consent appended to this Declaration.

ARTICLE II **UNITS**

2.01 Description of Units.

(a) All Units are delineated on the Plat attached hereto and are described in **Exhibit D** attached hereto which Plat is attached hereto as **Exhibit C** to this Declaration, and as amended, together with its undivided interests in the Common Elements.

(b) Each Unit shall consist of the space enclosed or bounded by the horizontal and vertical planes set forth and identified as a Unit in the delineation thereof on said Plat, including, but not limited to, all pipes, ducts, chutes, flues, conduits, wires and other utility, heating, cooling or ventilation systems only to the extent serving only such Unit.

(c) The legal description of each Unit shall consist of the identifying number or symbol of such Unit followed by the legal description of the Property, more particularly set forth in **Exhibit D** hereof.

(d) To the extent that such data is available to the Developer at the time this Declaration is filed, the Plat sets forth the measurements, elevations, locations and other data required by the Act with respect to: (1) the Parcel and its exterior boundaries; (2) every building and each floor thereof; and (3) each Unit and its horizontal and vertical dimensions; however, the Developer reserves the right, at its sole option, and without the consent of the Unit Owners, to amend this Declaration to provide for revisions if further data becomes available.

2.02 Structures Not Constituting Part of a Unit. No structural components of any building, and no pipes, shafts, ducts, chutes, flues, conduits, wires, public utility lines or otherwise running through a Unit and forming a part of any system serving more than one Unit, whether or not located within the Unit, on its perimeter, or within its walls, floors and ceilings, shall constitute or be deemed a part of a Unit.

ARTICLE III **COMMON ELEMENTS**

3.01 Description of Common Elements. Except as otherwise provided herein, the Common Elements shall consist of all portions of the Property except the Units (including the Limited Common Elements). The Common Elements shall include all property now and hereafter owned by the Association for the common use and enjoyment of the Unit Owners and shall include, but not be limited to, roads, streets, parking lots, walkways, sidewalks, street lighting and signage.

3.02 Ownership and Use of Common Elements. Each Unit Owner and their Occupants shall own an undivided percentage interest in the Common Elements as a tenant in common with all other Unit Owners and their Occupants and, except as otherwise limited in this Declaration, shall have the nonexclusive right to use the Common Elements for all purposes incident to the use, occupancy and enjoyment of such Owner's Unit as a residence and such other incidental uses as permitted by applicable zoning and the Condominium Instruments, which right shall be appurtenant to and run with title to such Unit subject to such reasonable regulations as may be adopted by the Association from time to time. Such right shall extend to each Unit Owner and the Owner's members, agents, guests, invitees and tenants thereof. The interest of each Unit Owner shall be expressed by a percentage amount allocated to such Owner's Unit on the basis of the area of such Unit in relation to the all of the Units within the Property as a whole, and, once determined, shall remain constant and shall not be changed unless amended by the Declarant pursuant to rights reserved by the Declarant or without unanimous written approval of all Unit Owners and Lender and hereafter changed by recorded Amendment to this Declaration and in accordance with the Act. The Developer has determined each Unit's percentage of ownership interest as set forth in **Exhibit E** hereof.

3.03 Limited Common Elements. The Limited Common Elements shall consist of all portions of the Common Elements set aside and allocated for the restricted use of a particular Unit or Units, or which, by the terms of this Declaration or by its nature or location, is clearly intended to serve exclusively a certain Unit or Units (but less than all of the Units) or the owner or owners thereof. The Limited Common Elements shall include, but not be limited to such portions of the perimeter walls, floors and ceilings, windows and doors, and all fixtures and structures therein (that lie outside the Unit boundaries but serve the Units and adjoining or other Units in the Building) pipes, ducts, flues, shafts, electrical wiring or conduits, or other system or component part thereof that serve a Unit exclusively to the extent such system or component part is located outside the boundaries of a Unit.

3.04 Use of Limited Common Elements. Each Unit Owner and Occupant shall have the right to the exclusive use and possession of any Limited Common Element serving exclusively such Unit. As to any Limited Common Element serving more than one Unit, the Unit Owners or Occupants of such Units shall collectively and equally have the use and possession of such Limited Common Element to the exclusion of all other persons except the Unit Owners and Occupants to which the Limited Common Element pertains.

ARTICLE IV **SUBMISSION TO THE ACT**

4.01 Submission of the Property to the Act. The Property is hereby submitted to the provisions of the Act.

4.02 Provisions Shall Run With the Land. All rights, covenants, restrictions, easements and other provisions contained herein or otherwise provided by the Condominium Instruments shall run with the land, perpetually in full force and effect and at all times inuring to the benefit of and binding upon any Unit Owner, mortgagee, trustee or other person having an interest in the Property or any part thereof, as long as the Property remains subject to this Declaration and the Act. Reference in the respective deeds of conveyance, or in any mortgage, trust deed or other evidence of obligation or interest, to such rights, covenants, restrictions, easements and other provisions contained herein or otherwise provided for shall be sufficient to create and reserve the same to the respective grantees, mortgagees, trustees or otherwise of such interest as fully and completely as though the same were recited and set forth in their entirety therein.

ARTICLE V
ADMINISTRATION

5.01 Responsibility. The responsibility for the administration and operation of the Property shall be vested in the Association through its Board of Managers (or, if incorporated, the Board of Directors), consisting of three (3) persons elected as provided in the By-Laws.

5.02 Incorporation. The Developer or the Board may incorporate, under the laws of the State of Illinois, a General Not For Profit Corporation under the name of "Sundance Residences", for the purpose of facilitating the administration and operation of the Property and to act as the Association. The Board of Directors of the corporation shall be deemed to be the Board otherwise referred to herein, in the By-Laws and in the Act.

5.03 Powers and Duties of the Association and Board. The powers and duties of the Association and the Board shall be those set forth in the Act, the Condominium Instruments, and the Illinois General Not For Profit Corporation Act of 1986, as amended, to the extent not inconsistent with the Act and the Condominium Instruments; provided, however, that: (1) the terms and provisions of the Act shall control in the event of any inconsistency between the Act, this Declaration and the By-Laws, and, (2) the terms and provisions of this Declaration shall control in the event of any inconsistency between this Declaration and the By-Laws. In addition to the foregoing, the Board shall have the power to prescribe and adopt such rules and regulations as it deems appropriate or necessary, in the manner as provided in the By-Laws, for the purpose of implementing and effectuating the administration and operation of the Association and the quiet and safe use and enjoyment of the Property.

ARTICLE VI
USE AND OCCUPANCY COVENANTS AND RESTRICTIONS

6.01 Covenants and Restrictions. The Units and Common Elements of the Property shall be owned, occupied and used subject to the following covenants and restrictions, and such rules and regulations as may be adopted by the Board:

(a) No part of the Property shall be used for any purpose other than as a single-family residence and the related common purposes for which it was designed, and for such other uses as permitted by applicable laws, including zoning, and the Condominium Instruments;

(b) Each Unit shall be used only for such purposes stated herein;

(c) Nothing shall be altered or constructed on or removed from the Common Elements without the written consent of the Board;

(d) No waste shall be committed in the Units or in, on or about the Common Elements. In addition, no junk, unlicensed, damaged or inoperable motor vehicles shall be kept upon the Property and shall be removed by the Owner thereof within twenty-four (24) hours after notice from the Board. Construction vehicles and equipment shall not remain upon the Property for any period beyond the reasonable needs associated with the completion, repair, reconstruction or remodeling of such Unit where that activity is then taking place;

(e) Nothing shall be done or kept in any Unit or in, on or about the Common Elements which will increase the rate of insurance on the Property or contents thereof, without the written consent of the Board;

(f) No Unit Owner shall permit anything to be done or kept in his Unit or in, on or about the Common Elements which may result in the cancellation of insurance on the Property or the contents thereof, or which would be in violation of any law;

(g) Each Unit Owner as the case may be, shall at all times maintain, in good order and repair, his or her Unit and any Limited Common Element appurtenant thereto which is not visible from the exterior of the Property, excepting parking spaces or as otherwise provided herein which shall be the responsibility of the Association;

(h) The Common Elements and Limited Common Elements, as applicable, shall at all times be kept free and clear of rubbish, debris and other unsightly materials;

(i) There shall be no obstruction of the Common Elements. No personal property of any kind shall be stored in, on or about the Common Elements outside of the designated storage areas without the written consent of the Board;

(j) Parking of bicycles shall be permitted in, on or about any part of the Common Elements in such area or areas so designated by the Board, giving due regard for the safety of their users and the public;

(k) No Unit Owner shall overload any electric wiring on the Property, and shall not operate any machines, appliances, accessories or other equipment in such a manner so as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to any heating or plumbing systems without the prior written consent of the Board;

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

(m) 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 Board; however, the Developer reserves the right to maintain such signs, advertising or displays on the Property until the last Unit is sold, at such locations and in such forms as they shall determine, together with the right of ingress, egress and transient parking therefor through the Common Elements;

(n) No Unit Owner shall 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 or television or other antenna (except as installed as of the date this Declaration is recorded or except as thereafter installed by the 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. All through-wall air conditioners and sleeves in which said 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 such 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 approval of the Association;

(o) The exterior building walls shall not be painted a different color at any time in the future unless approved in advance by the Village Board;

(p) The Developer and/or Association shall take advantage of all recycling collection opportunities made available by the waste hauler, and shall provide enough space at the building to accommodate the storage and use of commercial recycling containers and the potential addition of more dumpster locations should the need arise. All refuse enclosures shall be constructed with the same pre-cast panels and paint colors as the main building exterior and shall have solid wooden latchable gates. The gates shall be stained or painted a neutral brown color.

6.02 Storage Areas. There shall be no storage of personal property outside of the respective Units.

6.03 Parking Area. All vehicles shall be parked in the designated parking areas as determined by the Declarant or, after the Turnover Date, by the Association. Within said parking areas, the Board reserves the right from time to time to designate and allocate parking spaces for the exclusive use of each Unit based upon such factors as it deems relevant.

6.04 Disclaimer of Liability. Neither the Board, the Association, any officers of the Association, the Declarant nor the Developer shall be deemed a bailee or otherwise of personal property in, on or about the Property and shall not be responsible for the security of such property or for any loss or damage thereto, whether or not due to negligence. Each Unit Owner or Occupant shall be solely responsible for his or her such property.

ARTICLE VII

MAINTENANCE, RESERVES, OTHER EXPENSES AND REAL ESTATE TAXES

7.01 Maintenance, Reserves and Related Expenses.

(a) Each Unit Owner shall pay his or her proportionate share of the common expenses of the administration, maintenance, repair, replacement and improvement of the Common Elements and of any other expenses incurred in conformity with this Declaration, the By-Laws, the Act or otherwise agreed upon, which shall be assessed, unless otherwise provided, in the same ratio as the percentage of ownership in the Common Elements. Payment thereof shall be in such amounts and at such times and places as determined pursuant to the By-Laws.

(b) Each Unit Owner shall deposit with the Developer at the time of closing of the purchase of his or her Unit, an amount equal to two times the first monthly assessment for such Unit for the purpose of capital and maintenance reserves. Within sixty (60) days following the sale of the first Unit, if not previously deposited, the Developer shall deposit the respective amount for each remaining unsold Unit, reimbursement for which the Developer shall be respectively entitled as and when each remaining Unit is sold.

(c) The Association shall be responsible for the maintenance, repair and replacement of:

(i) General: those portions, if any, of each Unit which contribute to the support of the building, excluding windows and interior window frames, exterior doors and interior surfaces of walls, ceilings and floors.

(ii) Non-Occupant Signs and Markers. any appropriate directional, stop or handicapped parking signs or markers; restriping of parking lots and drive lanes as necessary to maintain parking space designation and traffic direction; and keeping clearly marked fire lanes, loading zones, no parking areas and pedestrian cross-walks.

(iii) Lighting. The Association shall be responsible for maintaining, cleaning and replacing Common Area lighting facilities, including light standards, wires, conduits, lamps, ballasts and lenses, time docks and circuit breakers.

(iv) Landscaping. Maintaining and replacing all landscaping plantings, trees and shrubs in a living and thriving condition, trimmed and weed free; maintaining and replacing landscape planters, including those adjacent to exterior walls of Buildings; and modifying irrigation systems to satisfy government water allocation or emergency requirements.

(v) Drive and Parking Areas. Maintaining all paved surfaces and curbs in a smooth and evenly covered condition, including, without limitation, replacement of base, crack filling and resurfacing. Snow plowing all common roads and parking areas within the Common Elements.

(vi) Sidewalks. Maintaining, cleaning and replacing of all sidewalks, including those adjacent and contiguous to Buildings located within the Development.

(vii) Debris and Refuse. Periodic removal of all papers, debris, filth and refuse, to the extent necessary to keep the Common Area in a first-class, clean and orderly condition.

7.02 Unit Alterations, Additions or Improvements. Any Unit Owner may make alterations, additions and improvements within his or her Unit, at such Unit Owner's expense, but such Unit Owner shall be responsible for any damage to other Units and the Common Elements as a result thereof. Nothing shall be done in any Unit which will impair the structural integrity of any building or any part of the Property.

7.03 Damages Not the Fault of Unit Owners. Redecorating or other expenses made necessary by damage to existing decorating or otherwise involving a Unit which is caused by maintenance, repair or replacement work on the Common Elements or any part thereof by the Association shall be furnished by the Association as a common expense, but only to the extent of the condition of such Unit as existed prior to such damage.

7.04 Mechanic's Liens and Other Encumbrances. The Board may cause to be discharged any mechanics's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or the Common Elements, rather than a lien against a particular Unit and its corresponding percentage of ownership in the Common Elements. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses (including attorney's fees) incurred by reason of such lien.

7.05 Real Estate Taxes. Real Estate Taxes shall be separately taxed to each Unit Owner for his or her Unit and the corresponding percentage of ownership in the Common Elements, as provided by the Act. If for any year such taxes are not separately taxed to each Unit Owner, but are taxed on the

Property as a whole, then each Unit Owner shall pay a proportionate share thereof in accordance with his or her respective percentage of ownership interest in the Common Elements.

ARTICLE VIII
SALE, MORTGAGE, LEASE OR OTHER ALIENATION

8.01 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to his or her Unit without including therein both the interest in the Unit and the corresponding interest in the Common Elements. Any such deed, mortgage, lease or other instrument purporting to affect the one without also including the other shall be deemed and taken to include the interest so omitted even though not expressly mentioned or described therein.

8.02 Units to Remain Intact. No Unit owner shall, by deed, plat or otherwise subdivide or in any other manner cause a Unit to be separated into any tracts or parcels different from the whole Unit as set forth and identified on the Plat attached hereto.

8.03 Transfer of Units. Except as otherwise provided herein, any Unit Owner may, without restriction, sell, give, devise or otherwise transfer any or all ownership interest in and to his or her Unit and its corresponding interest in the Common Elements of the Property. Notice of any such intended transfer shall be given to the Board not less than ten (10) days prior to consummating such transfer.

8.04 Transfer of Limited Common Elements. The use of a Limited Common Element may be transferred between Unit Owners at their expense, provided that the transfer shall be made only in accordance with this Declaration and the Act. Each transfer of a Limited Common Element shall be made by a recorded Amendment to this Declaration, executed by all Unit Owners who are parties to the transfer, and consented to by their mortgagees and all other Unit Owners who have any right to use the Limited Common Element affected. The Amendment shall contain a certificate showing that a copy of the Amendment has been delivered to the Board and a statement from the parties involved in the transfer which sets forth any changes in the parties' proportionate interest. If the parties cannot agree upon a reapportionment of their respective interest, the Board shall decide such reapportionment. No rights or obligations in respect to a Limited Common Element shall be affected, and no transfer effective, unless such transaction is in compliance with the requirements of this Declaration and the Act and an Amendment to this Declaration duly recorded.

8.05 Mortgages and Liens. Each Unit Owner shall have the right to make a separate mortgage or encumbrance on his or her respective Unit together with the respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make, create or cause to be made or created any mortgage or encumbrance on or affecting the Property, or any part thereof, except to the extent of his or her Unit and the respective ownership interest in the Common Elements.

8.06 Leases. All leases shall be subject to the following:

- (a) No Unit shall be leased for purposes other than as permitted by this Declaration;
- (b) No portion of a Unit which is less than the entire Unit shall be leased;
- (c) Each lease shall be in writing with a signed copy furnished to the Board within ten (10) days of the execution thereof or the date of occupancy, whichever is first to occur;

(e) No lease shall be for a term less than one (1) month, except: (1) a mortgagee in possession or which is a purchaser at judicial sale; and (2) the Developer until all of the Units are sold;

(f) Each lease shall contain a provision that the lessee and all occupants under the lease shall be bound by and be subject to this Declaration, the By-Laws, all rules and regulations of the Association, and the Act (except the obligation to pay common expense assessments), and that, pursuant to Article IX of the Illinois Code of Civil Procedure, the Association may file an action jointly against the Unit Owner and the lessee to enjoin the lessee from occupying the Unit or to evict the lessee for the failure of the Unit Owner to comply with leasing requirements provided by this Declaration, the By-Laws, rules and regulations of the Association or the Act, or proceed directly against the lessee or the Unit Owner, in addition to any other remedies which may be available in law or equity.

(g) No Unit Owner making a lease shall be relieved from any obligation he or she would otherwise be subject to pursuant to Unit Ownership.

8.07 Judicial or Other Involuntary Sales. The Board shall have the authority to bid and purchase, for and on behalf of the Association, any Unit or interest therein at a sale pursuant to a mortgage foreclosure, the foreclosure of any lien for common expenses under the Act, the order or direction of any court, or other involuntary sale, upon the unanimous consent and approval of the Unit Owners whose Units are not a part of such sale. Such consent and approval shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for such Unit or interest therein, the expenses of which shall be a common expense among such Unit Owners.

8.08 Sale of Entire Property. The Unit Owners, by affirmative vote of not less than seventy-five percent (75 %) of the Unit Owners voting at a meeting called by the Board for that purpose, may elect to sell the Property as a whole. Within ten (10) days after the date of the meeting at which such sale was approved, the Board shall give written notice of such action to the holder of any duly recorded mortgage or trust deed against any Unit or any portion of the Property. Such action shall be binding upon all Unit Owners, and it shall thereupon become the duty of each Unit Owner to execute and deliver such instruments and to perform such acts as are necessary to effect such sale, provided, however, that any Unit Owner who did not vote in favor of such action and who has filed written objection thereto with the Board within twenty (20) days after the date of the meeting at which such sale was approved, shall be entitled to receive from the proceeds of such sale an amount equivalent to the fair value of his or her interest, determined as hereinafter provided, less the amount of any unpaid assessments or charges due and from such Unit Owner. In the absence of agreement on the fair value of such interest, such Unit Owner and the prospective purchaser of the Property shall each select an expert in appraisal or property valuation, and the two experts so selected shall select a third such expert, all of which shall constitute a panel to determine by at least two-thirds (2/3) vote the fair value of such Unit Owner's interest in the Property.

ARTICLE IX

ENCROACHMENTS, EASEMENTS AND DEDICATIONS

9.01 Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any portion of the Common Elements or any other Unit as a result of the construction, repair, reconstruction, settlement or shifting of any building, or by reason of the design or construction of utility or ventilation systems serving more than one unit, a valid mutual easement shall exist for the maintenance thereof and in favor of the owners of the Common Elements and the respective

Unit Owners involved to the extent of the encroachment. A valid easement shall not exist in favor of any Unit Owner who creates an encroachment by his or her intentional, willful or negligent conduct or by that of his or her agent.

9.02 Easements.

(a) Grant of Utility Easements. All suppliers of utilities, telephone services and cable television or similar services serving the Property are hereby granted the right to install, lay, construct, renew, operate and maintain conduits, cables, pipes, wires, transformers and other equipment, for the purpose of providing and maintaining such utilities or services to the Property, into, over, under, along and on any portion of the Property where reasonably necessary for the provision of such utilities or services to the Property. Declarant hereby declares, grants and conveys for itself and for each other Owner, as Grantee, perpetual, non-exclusive easements in, to, over, under, along and across those portions of the Development necessary for the installation, operation, flow, passage, use, maintenance, connection, repair, relocation and removal of Utility Lines serving the Grantee's Parcel, including but not limited to, sanitary sewers, storm drains, water (fire and domestic), gas, electrical, telephone and communication lines. The easement area shall not materially adversely affect the use by Granter of the Grantor's Unit and be no wider than necessary to reasonably satisfy the requirements of a private or public utility, or five (5) feet on each side of the centerline if the easement is granted to an Owner.

(b) Easements for Ingress and Egress. Easements for ingress and egress, in perpetuity, are hereby reserved upon those portions of the Property shown as roads upon the Plat for the Association, Unit Owners and their guests, licensees, tenants and other authorized occupants and visitors, persons lawfully on the property, persons providing services, security services, police and firemen. The reservation and grant of easements is done with the intention of providing lawful means of access to all Units built or to be built upon the Property.

(c) Blanket Easement in Favor of Developer and Other Parties. The right of the Unit Owners and their Occupants 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 agents, representatives, employees, contractors and subcontractors, for the purposes of: (1) access and ingress to, and egress from, the Common Elements; (2) construction, installation, repair, replacement and restoration of utilities, buildings, landscaping and any other improvements on the Property or any part thereof; and (3) the installation and maintenance of signs advertising the Property. At such time as the last Unit is sold, this blanket easement shall be extinguished and be of no further force and effect.

(d) Supplements to Plat. The Developer hereby reserves to itself and to the Board, the right, without notice to or the consent of any Unit Owner, mortgagee or other person with an interest in the Property: (1) to record a supplement to the Plat showing the location of any or all of the foregoing utility or service conduits, cables, pipes, electrical wiring, transformers, switching apparatus, components and other equipment "as built" and (2) to record additional supplements showing any additions, modifications and deletions thereof. When the location of the easement to any such utility or service is shown by any supplement to the Plat as aforesaid, the easement granted in connection therewith shall be limited to the area or areas located within ten feet on either side of the equipment pertaining to such utility or service. A power coupled with an interest is hereby granted to the Developer and the Board, and each of them singly without the concurrence of the other, as attorney-in-fact to do or cause the foregoing to be done. The acceptance of each deed, mortgage, trust deed or other instrument with respect to a Unit shall be deemed a grant of such power to each of said attorneys-in-fact and an acknowledgment of a

consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to record any and all such supplements to the Plat.

9.03 Public Easement Against Water Damage or Erosion. Upon the affirmative vote of a majority of the Unit Owners entitled to vote at a meeting of Unit Owners called for that purpose and Lender, the Board may grant an easement to a governmental body for the construction, maintenance or repair of a project for protection against water damage or erosion.

9.04 Dedication for Streets and Utilities. Upon the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the Unit Owners entitled to vote at a meeting of Unit Owners called for that purpose and the Lender, the Board may dedicate a portion of the Common Elements of the Property to a governmental body for use as, or in connection with, a street or utility. Where such a dedication is made, nothing in the Act or any other law shall be construed to require that the real estate taxes of every Unit must be paid prior to the recording of such dedication.

9.05 Construction.

(a) Temporary Construction Staging Areas. In the event an Owner or Occupant shall find it necessary to create a temporary staging and/or storage area in connection with any construction, reconstruction, repair or maintenance on its Unit ("Construction Staging Areas"), all such Construction Staging Areas shall be located upon the constructing Owner's Unit only. In addition, all storage of materials and the parking of construction vehicles, including vehicles of workers, shall occur only on the constructing Owner or Occupant's Unit. The constructing Owner or Occupant shall maintain all Construction Staging Areas, material storage areas and construction vehicle parking areas in such locations and in such a manner so as not to unreasonably interfere with access between the constructing Owner and Occupant's Parcel and the other areas of the Development and will not unreasonably disrupt the other Owners. Upon completion of its work, the constructing Owner shall restore any affected Common Area located on its Parcel to a condition which is equal to or better than the condition which existed prior to the commencement of such work.

(b) Contractor's License for Access. Declarant hereby declares, grants and conveys for itself and for each other Owner and their Occupants and its and their respective contractors, materialmen and laborers a temporary license for access and passage over and across the Common Area located on each Grantor's Parcel as shall be reasonably necessary for the Grantee or the Occupants on its Parcel to construct and/or maintain improvements upon the Grantee's Parcel; provided, however, that such license shall be in effect only during periods when actual construction and/or maintenance is being performed and provided further that the use of such license shall not unreasonably interfere with the use and operation of the Common Area by others or the Grantor's Parcel by Grantor. Any Owner or its Occupant availing itself of the temporary license shall promptly pay all third party costs and expenses associated with such work, shall diligently complete such work as quickly as possible, and shall promptly clean the area, and restore and/or repair the affected portion of the Common Area to a condition which is equal to or better than the condition which existed prior to the commencement of such work. Notwithstanding the foregoing, in the event a dispute exists between the contractors, laborers, suppliers and/or others connected with construction activities, each Owner shall have the right to prohibit the contractors, laborers, suppliers and/or others working for another Owner or such Owner's Occupant, from using the Common Area on its Unit.

ARTICLE X
INSURANCE

10.01 Fire and Hazard Insurance.

(a) The Board shall acquire, as a common expense, a policy or policies of multi-peril insurance insuring the Common Elements and the Units against loss or damage from fire, lightning and other hazards as contained in customary fire and extended coverage policies, with vandalism and malicious mischief endorsements, for the full insurable replacement value of the Common Elements and the Units, in the name of "Sundance Residence Property Owners' Association", and require a provision in such policy or policies that the proceeds thereof shall be payable to the Board, as trustee for the Unit Owners in their respective percentages of ownership interest.

(b) The full replacement cost of the Units shall include the replacement cost of additions, alterations and improvements made in and to any Unit from time to time; provided, however, that the Board shall not be responsible for obtaining insurance on such additions, alterations or improvements unless and until the Unit Owner shall make a report containing the cost of such additions, alterations or improvements and request the Board in writing to obtain such insurance, and make arrangements satisfactory to the Board to reimburse the Association for any additional premiums which would otherwise be deemed a common expense. Any increased premium charge therefor shall be assessed to such Unit Owner under the provisions of the Act. If any Unit Owner fails to so notify and request the Board, the Board shall not be obligated to apply any insurance proceeds to the affected Unit to compensate a condition better than the condition existing prior to the making of such additions, alterations or improvements, and if any penalty is assessed in the adjustment of any loss, such Unit Owner shall be responsible for such penalty.

(c) All policies of insurance shall: (1) contain standard mortgage clause endorsements in favor of the mortgagees of each Unit, if any, as their respective interest may appear; (2) provide that the insurance, as to the interest of the Association, shall not be invalidated by any act or neglect of any Unit Owners; (3) provide that, notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Unit Owners elect to sell the Property or remove the Property from the provisions of the Act; (4) contain an endorsement to the effect that such policy shall not be terminated, canceled or modified without a minimum of thirty (30) days prior written notice to the Association, Lender and all other mortgagees of each Unit; (5) contain a clause or endorsement whereby the insurer waives any right of subrogation to any claim against the Association or its officers, members of the Board, the Declarant, the Developer, the managing agent, if any, and their respective employees and agents, and the Unit Owners and Occupants of the Property; and (6) contain a "Replacement Cost Endorsement."

(d) The proceeds of such insurance shall be applied by the Board, or at the direction of or on behalf of the Board, for the reconstruction of the Property or otherwise applied in accordance with the provisions of this Declaration and the Act. The rights of Lender or any First Mortgagee of any Unit under any standard mortgage clause endorsement shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions of the Act relative to the application of insurance proceeds to reconstruction of the Property.

(e) The Board may engage the services of, and such insurance may be payable to, a corporate 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 insurance proceeds resulting from any loss upon such terms as the Board shall determine. The fees of such corporate trustee or agent shall be a common expense.

(f) Payment by an insurance company to the Board or to such Trustee or Agent of the proceeds of any policy, and the receipt of a release from the Board or such Trustee or Agent of the insurance company's liability under such policy, shall constitute a full discharge of such insurance company. No insurance company shall be obligated to inquire into the terms of any trust or agency agreement under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement which may be inconsistent with the provisions hereof, or to see to the application of any payments of the proceeds of any policy by the Board or such Trustee or Agent.

(g) In the event of any aggregate loss in excess of \$10,000.00, the Board may interview contractors and solicit bids for repair or other work on the Property, but shall not be obligated to accept the lowest bid.

(h) In no event shall the Declarant or Association be liable to a Unit Owner (or any person claiming by or through such Owner) for any loss not covered by the insurance so obtained, including but not limited to any loss or damage to or within the Unit.

10.02 Appraisal. The full, insurable replacement cost of the Property, including the Units, Common Elements and Limited Common Elements, shall be determined from time to time by the Board. The Board may obtain an appraisal by an appraisal company selected by the Board, the cost of which shall be a common expense of the Association.

10.03 General Liability and Property Damage Insurance. The Board shall acquire, as a common expense, comprehensive general liability and property damage insurance against all claims and liabilities arising in connection with the ownership, use or management of the Property, in an amount sufficient as determined by the Board, but in no event less than \$5,000.00 with respect to each occurrence, insuring the Declarant, the Developer, the Board, the Unit Owners, the Association and the Management Agent, if any, and their respective employees and agents. The Declarant and the Developer shall be included as an additional insured as long as they hold an insurable interest. The Unit Owners shall be included as an additional insured, but only with respect to that portion of the premises not reserved for their exclusive use. Said insurance shall cover claims of one or more insured parties against other insured parties and shall contain a waiver of any right of subrogation by the insurer against any of the insured parties.

10.04 Umbrella Liability Insurance. The Board shall acquire, as a common expense, Umbrella Liability insurance in excess of the fore-going liability policies in an amount sufficient as determined by the Board, but in no event less than \$1,000,000.00 with respect to each occurrence.

10.05 Worker's Compensation Insurance. The Board shall acquire, as a common expense, such Worker's Compensation Insurance as is necessary to comply with any applicable laws.

10.06 Fidelity Bond. The Board shall acquire as a common expense a fidelity bond insuring the Association, the Board and the Unit Owners against loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or its Management Agent, if any, or of any other person handling the funds of the Association, the Board or the Unit Owners, in such amount as the Board shall deem advisable, but in no event less than 150% of the annual operating expenses of the Association, including reserves, or as otherwise required by applicable law. Such bond shall contain waivers of any

defense based on the exclusion of persons who serve without compensation from any definition of “employee” or similar expression, and shall provide that such bond shall not be terminated, canceled or modified without a minimum of thirty (30) days prior written notice to the Association and any First Mortgagees of each Unit.

10.07 Miscellaneous Insurance. The Board may acquire, as a common expense, other insurance which may include, without limitation, any or all of the following in such amounts as the Board shall deem desirable or as may be hereafter required: Plate Glass insurance, Errors and Omissions coverage for the Board, Directors and Officers Liability insurance, and Medical Payments coverage for members of the public (not Unit Owners) injured on the Property without regard to liability of the Board or the Association.

10.08 Condominium Unit Owner’s Insurance. Each Unit Owner shall liable for any claim or damage as a result of the use or operation of his or her Unit or caused by such Owner’s or Occupant’s conduct, and shall obtain and keep in full force and effect a policy of Condominium Unit Owner’s Insurance insuring the Unit Owner for loss or damage to personal property and improvements in such Unit, and liability insurance in a minimum amount of not less than \$25,000.00 for property damage and \$500,000.00 for general liability. Each Unit Owner shall furnish the Board with evidence of such insurance from time to time, but in no event less frequently than annually. In the event any Unit Owner shall fail to provide evidence of or maintain such insurance, the Board shall be authorized, but not obligated, to obtain such insurance on behalf of such Unit Owner and assess the cost thereof to such Unit Owner.

10.09 Waiver of Claims Covered by Insurance. Each Unit Owner hereby waives and releases any and all claims which he or she may have against any other Unit Owner, the Association, its officers, the Board, the Developer, the Managing Agent, if any, and their respective employees and agents, for any and all damages to the Common Elements, the Units, or to any personal property located in, on or about the Common Elements or the Units, which are covered by fire or other casualty insurance.

10.10 Notice Regarding Cancellation of Insurance. The Board shall notify all Unit Owners and their respective First Mortgagees concerning the cancellation of any insurance hereinabove required to be obtained.

ARTICLE XI

DAMAGE, RESTORATION, CONDEMNATION AND EMINENT DOMAIN

11.01 Sufficient Insurance. In the event the improvements forming any portion of the Property, including the Units, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring the Property against such loss are payable by reason thereof, and are sufficient, together with any capital reserves, to pay the cost of repair, restoration or reconstruction to a condition substantially the same as before such loss, such repair, restoration or reconstruction shall be undertaken and the proceeds applied in payment therefor; provided, however, that in the event that within one hundred and eighty (180) days after the date of said loss all of the Unit Owners and First Mortgagees elect to sell the entire Property as hereinafter provided or to withdraw the Property from the Act, as therein provided, then such repair, restoration or reconstruction shall not be undertaken, in which event the net proceeds of such policy or policies shall be allocated among all Unit Owners according to each Unit Owner’s percentage of ownership in the Common Elements of the Property, after first paying out and deducting from the respective share of any Unit Owner the amount of any unpaid liens on such Unit, in the order of the priority of such liens.

11.02 Insufficient Insurance.

(a) In the event that insurance proceeds are insufficient to repair, restore or reconstruct the Property as set forth in the preceding paragraph, after the application of any capital reserves, the Board shall call a meeting of Unit Owners to be held not later than the first to occur of: (1) the expiration of thirty (30) days after final adjustments of the insurance claim, or (2) the expiration of ninety (90) days after the date of such loss. At such meeting, the Board shall present an estimate of the additional cost over and above such insufficiency to so repair, restore or reconstruct the Property, which must be raised by a special assessment against all of the Units.

(b) If, after such meeting and any subsequent meetings for reconsideration, all Unit Owners and other parties in interest do not voluntarily make provision for such repair, restoration or reconstruction within one hundred and eighty (180) days from the date of such loss, the Board may record a notice setting forth such facts, and upon the recording of such notice: (1) the property shall be deemed to be owned in common by all of the Unit Owners; (2) the undivided interest in the Property owned in common which appertains to each Unit Owner shall be the percentage of undivided interest previously owned by such owner in the Common Elements; (3) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the respective Unit Owner; and (4) the Property shall be subject to an action for partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Property, if any, shall be considered as one fund and shall be allocated among the Unit Owners in a percentage equal to the percentage of undivided interest owned by each owner in the Property, after first paying out of the respective shares of the Unit Owners, to the extent sufficient, all liens on the undivided interest owned by each Unit Owner.

(c) In the case of damage or destruction in which less than one-half (1/2) of the Units are rendered uninhabitable, the Board shall call a meeting of Unit Owners, within the time period described in subparagraph (a) above, and upon the affirmative vote of seventy-five percent (75%) of the Unit Owners and Lender voting at a meeting called for that purpose, the Units and any other portion of the Property shall be reconstructed. At such meeting, the Board shall present an estimate of the additional cost over and above such insufficiency and capital reserves to repair, restore or reconstruct the Units and the Property, which must be raised by a special assessment against all of the Units.

(d) In any case of damage or destruction to the Property in which the proceeds of insurance are insufficient for repairs, restoration or reconstruction, the affected part of the Property may be withdrawn from the Act upon the unanimous vote of the Unit Owners and Lender. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest in the Common Elements of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Such proceeds as are 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 interest therein, and as to Limited Common Elements, on the basis of the interest of those entitled to their use.

11.03 Condemnation and Eminent Domain. If any portion of the Property is taken by condemnation or eminent domain proceedings, provision for withdrawal from the Act of the portions so taken may be made by the Board. Upon the withdrawal of any Unit or portion thereof due to eminent domain, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in the market value of the Unit, as determined by the Board. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Such award or proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage interest therein, and as to Limited Common Elements, allocated on the basis of the interest of those entitled to their use. The Association shall represent the Unit Owners in any such proceedings or in any negotiations, settlements and agreements with the condemning authority for the acquisition of the Common Elements or any portion thereof. In the event of a total taking of the Property by eminent domain, the condemnation award available shall be divided among all Unit Owners according to the percentage of ownership in the Common Elements, after first paying from each respective share the amount of unpaid liens against each respective Unit in the order of the priority of such liens.

11.04 Cessation of Common Expenses. Upon the withdrawal from the Act of any Unit or portion thereof, responsibility for the payment of assessments on such Unit or portion thereof shall cease.

ARTICLE XII **AMENDMENTS, REMOVAL FROM ACT**

12.01 Amendments to Declaration or By-Laws. No modification or amendment to this Declaration or the By-Laws shall be valid unless and until the same is set forth in an amendment thereof and such amendment is duly recorded in the Office of the Recorder of Deeds of DuPage County, Illinois. Such amendment shall be effective upon the date of recording unless the amendment specifies a different effective date. An amendment to the Declaration or the By-Laws must be approved by the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the Unit Owners entitled to vote at a meeting of the Unit Owners called for that purpose, and shall be subject to the approval of any mortgagees as may be required. All lien holders and mortgagees of record shall be notified by certified mail of such amendment, and an affidavit of such mailing, certified by the Secretary of the Association, shall be made a part of the recorded instrument. No amendment shall change the boundaries of any Unit or the undivided interest in the Common Elements, the number of votes in the Unit Owners' Association, or the liability for common expenses appertaining to a Unit, except upon the unanimous vote of the Unit Owners and Lender or as otherwise provided in this Declaration and the Act relative to the transfer of Limited Common Elements, damage or destruction of all or part of the Property, insufficient insurance, and condemnation or eminent domain. Any amendment which affects the interests of the Village, including those matters referred to in its Village Ordinance No. 2007-0-41, shall be subject to its reasonable approval.

12.02 Amendments to Conform or Correct. Notwithstanding the above and foregoing provisions of Section 12.01, this Declaration or the By-Laws may be amended by sixty-six and two-thirds percent (66 2/3%) of the vote of the Board or a majority of the Unit Owners and Lender at a meeting of the Unit Owners called for that purpose, to: (1) bring this Declaration or the By-Laws into compliance with the Act, now or as hereafter amended; or (2) correct clerical or typographical errors or omissions. If such action is taken by the Board to adopt such amendment, the Board, upon written petition of Unit Owners holding twenty percent (20%) of the votes of the Association filed within thirty (30) days of such

action, shall call a meeting of the Unit Owners to discuss the amendment within thirty (30) days of the filing of the petition. Unless a majority of Unit Owners or Lender vote to reject such amendment, it is ratified whether or not a quorum is present. No amendment enacted in accordance with this Section shall materially or adversely affect the property rights of any Unit Owners or Lender unless the affected Unit Owners and Lender consent in writing to the amendment, nor shall such amendment change any percentage of ownership interest without the unanimous vote of the Unit Owners and Lender even if such change is to correct an error or omission.

12.03 Amendments by the Developer. Until the latest date at which the initial meeting of the Unit Owners of the Association may be held, and whether or not it has actually been held, the Developer shall have the right to amend any Condominium Instrument to bring the same into compliance with any legal requirement of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any similar agency of Federal, State or local authority in order to induce the making, purchasing or guaranteeing of first mortgages concerning the Property.

12.04 Removal of Entire Property from the Act. Upon the unanimous vote of all of the Unit Owners at a meeting of the Unit Owners called for that purpose and the approval of the Village, the entire Property may be removed from the provisions of the Act by an instrument to that effect, duly recorded; provided, however, that the holders of all liens and First Mortgages affecting any of the Units consent and approve, by instruments duly recorded, that their liens and mortgages be transferred to the undivided interest of the respective Unit Owner. Upon such removal, the Property shall be deemed to be owned in common by all of the Unit Owners. The undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by each Unit Owner in the Common Elements of the Property.

ARTICLE XIII
REMEDIES FOR BREACH OF COVENANTS,
RESTRICTIONS, PROVISIONS, RULES AND REGULATIONS

13.01 Failure to Pay Assessments. The failure of any Unit Owner to pay any common expense assessment or other authorized sum pursuant to this Declaration, the By-Laws, or the rules and regulations adopted by the Board against his or her Unit within fifteen (15) days of the date due (grace period), shall give the Board the authority, after seven (7) days written notice of such failure to such Unit Owner and an opportunity to be heard as to extenuating circumstances prior thereto, to: (1) accelerate and declare due and payable the remainder of common expense assessments pertaining to his or her Unit for the entire balance of the assessment year, and such other sum as may be owing; (2) impose such reasonable late charges or interest charges as prescribed; all of which shall become a lien upon such Unit as provided by the Act.

13.02 Fines. The Board shall have the authority to adopt such rules and regulations as it deems advisable for the assessment of reasonable fines against any Unit Owner for the enforcement of any covenant, restriction, provision, rule or regulation of the Association, and shall give any offending Unit Owner seven (7) days written notice of such violation and an opportunity to be heard as to extenuating circumstances prior to the assessment of any such fine, which, if assessed, shall become a lien upon such Unit as provided by the Act.

13.03 Abatement. If any Unit Owner, by his or her own conduct or that of an occupant of his or her Unit, shall violate any covenant, restriction, provision, rule or regulation of the Association, which violation shall continue for ten (10) days after notice in writing from the Board of such violation to such

Unit Owner, the Board shall have the authority, after giving such notice and an opportunity to be heard as to extenuating circumstances prior thereto, to: (1) enter upon that part of the Property where such violation or breach exists and summarily abate or remove, at the expense of such Unit Owner, any structure, thing or condition that constitutes such violation or breach, without thereby being deemed guilty in any manner of theft or trespass; or (2) enjoin, abate or remedy by any appropriate legal proceeding such violation or breach, the costs and expenses of which, including reasonable attorneys fees, and all damages, liquidated or otherwise, shall be charged to and assessed against such Unit Owner and shall constitute a lien upon his or her Unit as provided by the Act. In the case of such violation constituting an immediate threat to the safety of any person or part of the Property, the foregoing notice provisions shall not apply and the violation shall be subject to immediate abatement.

13.04 Involuntary Sale of Unit. If any Unit Owner, by his or her own conduct or that of an occupant of his or her Unit, shall violate any covenant, restriction, provision, rule or regulation of the Association, which violation shall either continue for thirty (30) days after notice in writing from the Board of such violation to such Unit Owner or be a reoccurring violation subsequent to a prior notice of such violation, the Board shall have the authority, after giving such notice and an opportunity to be heard as to extenuating circumstances prior thereto, to issue to such Unit Owner a ten (10) day notice in writing to terminate the right of such Unit Owner to continue as a Unit Owner or to continue to occupy, use or control such Unit, and thereupon an action in equity may be filed by the Board against such Unit Owner for a decree declaring the termination of such Unit Owner's right to occupy, use or control such Unit and ordering that all right, title and interest therein be sold at a judicial sale, upon such notice and terms as the court shall establish, and that such Unit Owner be enjoined from reacquiring his interest in the Property at such sale. The proceeds of such sale, subject to the rights of any duly recorded mortgage, shall be then applied to discharge all court costs, litigation and sale expenses, reasonable attorneys fees and other expenses of the proceedings, and any unpaid assessments due the Association, such items to be charged against such Unit Owner in said decree and to constitute a lien upon such Unit. Any balance thereafter shall then be applied in satisfaction of any other liens or encumbrances against the Unit Owner, with the remainder, if any, paid to the Unit Owner. Upon confirmation of such sale, the purchaser shall be entitled to a deed to the Unit and to immediate possession thereof, and may apply to the court for a writ of assistance for the purpose of acquiring possession, and it shall be a condition of any such sale, and the decree shall provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

13.05 Additional Remedies. In addition to the remedies provided above, the Board shall be entitled to any and all available remedies provided by the Act, the Illinois Forcible Entry and Detainer Act, or such other and further remedies as in law or equity may be appropriate.

13.06 No Waiver. No violation of any covenant, restriction, rule, regulation or provision contained or provided for in this Declaration or the By-Laws shall be deemed to be waived by reason of any failure to enforce or act of discretion not to enforce the same, and no remedy shall be deemed a waiver of any other remedy or to be exclusive of any other remedy.

ARTICLE XIV **ANNEXING ADDITIONAL PROPERTY**

14.01 Adding Property. The Developer reserves the right from time to time within ten (10) 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 (designated as the "Additional Property" in Exhibit A) by recording an amended Plat in accordance with Section 5 of the Act and an amended Declaration in accordance with Section 6 of the Act. No rights of any character whatever within the additional land attach to any owner except as to that portion described on Exhibit A and except as to that portion described in any recorded Amended Declaration annexing and

adding such portion to this Declaration as part of the condominium created by this Declaration. Any Owner may combine or subdivide any Unit(s) owned by them subject to the requirements of Section 31 of the Act, the applicable provisions of this Declaration and, if applicable, the codes and ordinances of the Village.

14.02 Amended Declaration. Each Amended Declaration shall include an amended Exhibit A (legal description of portions of additional land already subjected to the provisions of the Act) which shall amend Exhibit A hereto by setting forth the amended legal description of the Parcel to include the additional parcel or parcels annexed hereto, as well as a separate legal description of such addition. The Amended Declaration shall also contain an Amended Plat showing the boundaries of such addition and of the entire Parcel as amended, and delineating the additional Units of such addition, all in accordance with Section 5 of the Act.

Each amended Declaration shall also include an amended Exhibit C which shall amend Exhibit C hereto by setting forth the legal description of the Units added by such Amended Declaration, as well as all previous Units.

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

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

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

(a) the Common Elements as existing immediately prior to the recording of such Amended Declaration (hereinafter referred to as the “Existing Common Elements”); and

(b) the Common Elements added by such Amended Declaration (hereinafter referred to as the “Added Common Elements”).

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

(c) the Units as existing immediately prior to the recording of such Amended Declaration (hereinafter referred to as the “Existing Units”); and

(d) the Units added by such Amended Declaration (hereinafter referred to as the “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. Such determination by the Developer shall be conclusive and binding upon 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 such 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 E attached to such 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 such amended Exhibit E, 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 such successive Amended Declaration and the amended Exhibits attached thereto, shall be deemed to apply to each and all of the Units, including all such Added Units as well as all Existing Units, and to all of the Common Elements, including all such 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 prior to such recording, nor the respective amounts theretofore assessed to or due from Existing Units Owners for common expenses or other assessments.

14.04 Mortgages. 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 such Existing Unit as set forth in the amended Exhibit E attached to such Amended Declaration, and the lien of such mortgage shall automatically attach in such percentage to the Added Common Elements.

14.05 Consent of Existing Owners. Each and all of the Units 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 such 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 which 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, from time to time as hereinabove provided; and hereby further agree to each and all of the provisions of each and all of said Amended Declarations which may hereafter be recorded in accordance with the foregoing provisions of this Declaration.

14.06 Further Acknowledgements. 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 acknowledges, consents and agrees, as to each such Amended Declaration that is recorded, as follows:

(a) The portion of the additional land described in each such Amended Declaration shall be governed in all respects by the provisions of this Declaration.

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

Owner and reconveyed and reallocated among the other Unit Owners as set forth in each such recorded Amended Declaration.

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

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

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

(f) Each Owner shall have a perpetual easement, appurtenant to his Unit, for the use of any additional Common Elements annexed thereto by and described in any recorded 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 Owners of specific Units as may be provided in any such Amended Declaration or this Declaration and except as to any portion which may be designated as Limited Common Elements.

(g) Each Owner by acceptance of the deed conveying his Unit agrees for himself and all those claiming under him, 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 such Amended Declaration shall be deemed to be made by agreement of all Unit Owners.

(h) The Trustee and Developer reserve the right to amend this Declaration in such manner, and each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this Article XIV to comply with the Act as it may be amended from time to time.

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

ARTICLE XV
RIGHTS OF FIRST MORTGAGEES

15.01 Obligation of Unit Owners and Association. Each Unit Owner subject to a First Mortgage on his or her Unit shall inform and provide the Association with the name, address and

telephone number of his or her current First Mortgagee, and the Association shall maintain a record of all such First Mortgagees for the purpose of giving notices to or communicating with such Mortgagees.

15.02 Examination and Production of Documents. Upon written request to the Association, identifying thereon the name, address and telephone number of the first mortgagee, a First Mortgagee shall be entitled to examine the books and records of the Association at any reasonable time, and to receive, for a reasonable copying and postage fee, the following:

(a) Copies of budgets, assessments, notices or statements provided by the Association to the Unit Owner of the Unit covered by such First Mortgagee's mortgage;

(b) Copies of any annual audited or unaudited financial statements of the Association prepared for the Association and distributed to the Unit Owners following the end of each fiscal year; provided, however, that if no audited statement is available, and if requested by a majority of First Mortgagees, such statement may be prepared at their expense;

(c) Copies of notices of meetings of the Association;

(d) Copies of such other and further documentation as may be relevant to such First Mortgagee's mortgage.

15.03 Notices. All First Mortgagees shall be entitled to notice of the following, if as above in writing requested:

(a) Notice of the relevant mortgagor's violation of any obligation under this Declaration or otherwise which is not cured within the time specified by the Board;

(b) Notice of all meetings of the Association, with the right to designate a representative to attend such meetings;

(c) Notice of any proposed amendment to the Declaration affecting the boundaries of any Unit or portion of the Property, or any interest therein;

(d) Notice of any decision by the Unit Owners to make any material amendment to the Declaration, the By-Laws or the Articles of Incorporation of the Association, if incorporated;

(e) Notice of substantial damage to or destruction of any Unit or any part of the Common Elements in excess of \$10,000.00;

(f) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Property;

(g) Notice of any lapse, cancellation or modification of any insurance policy or fidelity bond maintained by the Association;

(h) Notice of any action which would require the consent of a specified percentage of first mortgagees, whether or not requested;

(i) Notice of any proposed termination of the condominium.

(j) Notice of any judgment entered against the Association in a court with appropriate jurisdiction.

15.04 Priority of First Mortgagees. No provision contained in this Declaration, the By-Laws or other instrument pertaining to the Property or the Units therein shall be deemed to give the Association, any Unit Owner or any other party priority over the rights of a First Mortgagee whose bona fide interests are duly recorded prior thereto, relative to any lien or encumbrance, provided by the Act or otherwise, or relative to the distribution of insurance proceeds or condemnation awards for losses to or the taking of any Unit or Common Element, or any part thereof. Any First Mortgagee who comes into possession of a Unit pursuant to a foreclosure of the mortgage or deed (or assignment in lieu of foreclosure shall, to the extent permitted by law, take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged Unit which become due prior to (i) the date of the transfer of title, or (ii) the date on which the First Mortgagee comes into possession of the Unit, whichever occurs first. To the extent this subparagraph conflicts with the provisions of the Act, the provisions of the Act shall control.

15.05 Unanimous Approval Required. Unless the First Mortgagees of all of the Units and, as to subparagraph (a), the Village, have given their prior written approval, neither the Unit Owners nor the Association shall be entitled to:

(a) By act or omission seek to abandon or terminate the condominium form of ownership, except as provided by the Act in the event of a substantial loss to or condemnation of the Units or the Common Elements, or any part thereof;

(b) Change the pro rata interest or obligations of any Unit Owner for: (1) levying assessments or charges, or allocating any distribution of insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership in the Common Elements, except as provided in the Act or Articles VIII or XI hereof;

(c) Use insurance proceeds for losses to the Property for other than repair, replacement, restoration or reconstruction, except as provided by the Act or Article XI hereof in the event of a substantial loss to or condemnation of the Units or the Common Elements, or any part thereof.

15.06 Less Than Unanimous Approval Required. Unless the First Mortgagees of the Units representing at least a majority of the votes in the Association and, as to subparagraph (a), the Village, have given their prior written approval, neither the Unit Owners nor the Association shall be entitled to:

(a) Adopt an amendment to this Declaration or the By-Laws which: (1) changes this Article XV or any other Article which specifically grants rights to any First Mortgagee; (2) materially changes insurance and fidelity bond requirements; (3) imposes a right of first refusal or similar restriction on the right of a Unit Owner to transfer an interest in the Property; (4) changes the provisions relative to leasing a Unit; or (5) changes any provision concerning the capital reserves of the Association;

(b) Remove a portion of the Property from the provisions of the Act and this Declaration;

(c) Abandon, partition, subdivide, encumber or transfer the Common Elements, except for the granting of easements for utilities or other services consistent with the intended use of the Property;

(d) Consummate the sale of the Property.

15.07 Approval Not Required. The written approval of First Mortgagees will not be required with respect to any action set forth above or which is otherwise provided herein which occurs as a result

of: (1) substantial damage due to fire or other casualty; or (2) a taking of the Property or any portion thereof by condemnation or eminent domain proceedings.

ARTICLE XVI
GENERAL PROVISIONS

16.01 Entry Into Units by Association. The Association or its officers, agents, employees or contractors may enter any Unit when necessary in connection with any work for which the Association is responsible or has the right and duty to do. Such entry shall be made with as little inconvenience to the Unit Owner or occupant as is practicable, and except in cases of emergency, shall be done upon reasonable notice to the Unit Owner or occupant.

16.02 Notices. The following shall apply for all Notices permitted or required pursuant to the Condominium Instruments or the Act:

(a) All Notices shall be given in writing and mailed or delivered within the time specified for such Notice;

(b) Notices to the Declarant, Board and Association shall be addressed to the proper recipient at _____, and notices to Unit Owners shall be addressed to them at the addresses designated by the U.S. Post Office for such Unit and, in the absence of such designation, shall be addressed to the proper recipient at _____ (indicating thereon the Unit number as may be applicable), or the office of its registered agent in Illinois, if applicable.. A different address may be designated by giving written notice of such change;

(c) Notices to the holder of any duly recorded mortgage or trust deed against any Unit shall be addressed to such holder at the address indicated on any written request from such holder, or if no request is made and such holder is entitled to notice, to the address provided by the Unit Owner;

(d) Notices to decedents or adjudicated incompetents required to be given to any executor, administrator, personal representative, conservator or guardian of a Unit Owner shall be addressed to such party at the address which appears in the records of the court wherein the proceedings take place or to such other address as is furnished in writing to the Board or the Association;

(e) Notices shall be deemed delivered on the date of personal delivery or delivery by express or certified mail, and on the date three (3) days after posting by regular mail, provided; however, that all mailings are properly addressed to the recipient with proper postage prepaid. Delivery by depositing in a Unit Owner's mailbox on the Property or at the door of his or her Unit shall be deemed personal delivery, provided such Unit Owner is not out of town at such time;

(f) A written waiver of Notice by any person entitled to same shall be deemed the equivalent of proper Notice having been given.

16.03 Vote Percentages. In the event of inconsistency between any vote percentage required herein or in the By-Laws or the Act as now or as hereafter amended, such vote percentage applicable shall be the vote percentage as required by the Act, as now or as hereafter amended. Any apparent non-

feasibility due to the number of Units or their respective interest in the Common Elements of the Property shall, and are intended to be, as provided by the Act.

16.04 Headings. The headings and captions contained herein are for the purpose of convenient reference and shall not be deemed to construe or limit the Articles, Sections and Subsections to which they apply.

16.05 Jurisdiction. This Declaration, the By-Laws, the Property and any instrument pertaining thereto shall at all times be subject to, and interpreted in accordance with, the laws of the State of Illinois.

MORTGAGEE'S CONSENT

_____ (“Lender”), holder of a certain Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of _____, and recorded _____ as Document No. _____ (as the same may have been amended or modified from time to time, (“Mortgage”) encumbering the Property legally described on Exhibit A attached hereto, hereby consents to the execution and recording of the within Declaration and agrees that said Mortgage is subject thereto and to the provisions of the Act; provided, however, that notwithstanding anything contained in the said Declaration, such consent by Lender is on the following conditions (capitalized terms used below having the same meanings as in the said Declaration): (1) the lien of said Mortgage shall encumber the Units and Common Elements created under the said Declaration, (2) this consent of Lender is in its capacity as holder of the said Mortgage only as it affects the Property and not in its capacity as holder of the Mortgage or any mortgage affecting any other real estate owned by the Declarant, (3) until such time as the said Mortgage is released, the consent of Lender, or any successor in interest to Lender, as holder of the said Mortgage, shall be required to any amendments to the said Declaration, By-Laws and the Plat, and (4) Sections 14.04, 14.05, 14.06 and 15.07 of the said Declaration shall not apply to Lender, or any successor in interest to Lender as holder of the said Mortgage, and any actions otherwise permitted under Article XIV hereof shall require the consent of Lender until such time as the said Mortgage is released.

[]
A banking corporation

By: _____
Its: Vice President

ATTEST:

STATE OF ILLINOIS)
COUNTY OF _____)

I, the undersigned a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, Vice President of _____, and _____, business banking officer thereof, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and business banking officer, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their free and voluntary act, and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth; and the said business banking officer did also then and there acknowledge that, as custodian of the corporate seal of said Corporation, did affix the said corporate seal of said Corporation to said instrument as his own free and voluntary act, and as the free and voluntary act of said Corporation for the uses and purposes therein set forth.

Given under hand and official seal this _____ day of _____, 2021.

Notary Public

EXHIBIT A

To Declaration of Condominium Ownership
for Sundance Residences

LEGAL DESCRIPTION OF THE PROPERTY:

EXHIBIT B

To Declaration of Condominium Ownership
for

BY-LAWS

OF

SUNDANCE RESIDENCES PROPERTY OWNERS' ASSOCIATION

ARTICLE I

Responsibility and Authority

1.01 Administration Responsibility. The Association is responsible for the overall administration and management of the Property through its duly elected Board of Directors.

1.02 Statutory Authority. The Association shall have and exercise any and all powers and authority as provided pursuant to the Illinois Condominium Property Act, as amended (hereinafter referred to as the "Act"), 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 and the Condominium Instruments. Whether or not incorporated, the Association shall additionally have such powers and authority as provided pursuant to the Illinois General Not For Profit Corporation Act of 1986, as amended, as are not inconsistent with the Act and the Condominium Instruments.

1.03 Registered Agent and Office. The Association is incorporated under the Illinois General Not For Profit Corporation Act of 1986, as amended, and shall have and continuously maintain in the State of Illinois the following:

(a) A Registered Office which may be, but need not be, the same as the address of the Association;

(b) A Registered Agent which may be either an individual resident of Illinois or a corporation authorized to transact business in Illinois. The business office of the Registered Agent shall be identical with the Registered Office.

ARTICLE II

Members (Unit Owners)

2.01 Classes of Members, Membership, and Termination Thereof. The Association shall have one class of members, the designation of which and the qualifications and obligations thereof shall be as follows:

(a) Each Unit Owner shall be a member of the Association, with a respective membership interest in accordance with the percentage of ownership interest in the Common Elements of the Property;

(b) Membership shall terminate when a member ceases to be a Unit Owner, and upon the

sale, transfer or other disposition of all of such member's ownership interest in the Property, the succeeding Unit Owner shall automatically become a member of the Association; should less than all of a member's ownership interest be sold, transferred or otherwise disposed, the transferor and transferee of such partial interest shall each be members of the Association;

(c) Termination of membership shall not relieve or release any former member from any liability or obligation incurred with respect to the Association during the period of membership, and shall not impair any rights or remedies that the Association or others may have against such former member relative thereto;

(d) A member shall not be able, while a member, to assign, delegate, transfer, surrender or avoid the duties, responsibilities and liabilities of membership under the Act, the Declaration, these By-Laws or any rule or regulation adopted by the Board, and any such attempted assignment, delegation, transfer, surrender or avoidance shall be deemed null and void;

(e) No certificates of stock or other certificates evidencing membership shall be required to be issued by the Association.

2.02 Voting Rights and Voting. The following shall be apply to the rights, manner and method of voting by members of the Association:

(a) Until the date of the first annual meeting of the members of the Association, no member shall have the right to elect the Board of Directors. Prior to such meeting, the rights, titles, powers, trusts, duties and obligations vested in or imposed on the Board by the Act, the Declaration and these By-Laws shall be held and performed by the Developer/Declarant;

(b) Commencing with the date of the first annual meeting of the members of the Association, the total number of votes of all of the members shall be 100. Members shall be entitled to the number of votes equal to the respective percentage ownership interest in the Common Elements (as defined in the Declaration) multiplied by 100 at the time any matter is submitted to a vote of the members, for example, a percentage interest of $.1666 \frac{2}{3}$ would be 16.66 $\frac{2}{3}$ votes;

(c) There shall be one member with respect to each Unit who is entitled to vote at a meeting of the members of the Association. If a Unit is owned by more than one person, the voting rights with respect to such Unit shall not be divided, but shall be exercised as if the owners consisted of only one person. The person entitled to vote shall, and shall be deemed to, act in accordance with the agreement of the majority in interest of the persons owning such Unit, and all votes attributable to such Unit shall be cast undivided. If only one of the persons constituting such ownership is present, he or she shall be entitled to cast the votes allocated to such Unit. If more than one of such persons are present, the votes allocated to such Unit shall be deemed to be cast in accordance with the agreement of the majority in interest of persons owning such Unit unless prompt protest is made to the officer presiding over the meeting by any of the other such persons;

(d) The members of the Association may, upon the adoption of appropriate rules by the Board to verify the status of a member issuing a proxy or casting a ballot, conduct elections by secret ballot whereby the ballot is marked only with the percentage interest for the Unit and the vote itself. In all such elections, candidates for election to the Board, or their representatives, shall have the right to be present at the counting of such ballots.

2.03 Computation of Vote Percentages. Any specified percentage of members, whether majority or otherwise, for purposes of voting or for any other purpose, wherever provided herein or in the Declaration, shall be computed as follows:

(a) Except as otherwise provided under Section 2.03(b) below, a specified percentage of members herein shall mean the percentage of the total number of votes as set forth in Section 2.02(b) above, computed in the same manner as is the specified percentage of Unit Owners' interests in the Common Elements as provided in the Declaration;

(b) In the event that 30% or fewer of the Units, by number, possess in the aggregate over 50% of the votes in the Association, 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.

2.04 Transfer of Membership. Membership in the Association is not transferable or assignable, except as to transfer of ownership interest as described in Section 2.01(b) above. Transfer in accordance therewith shall be subject to the provisions of the Declaration, but otherwise such transfer shall be unrestricted.

2.05 Lessees of Units. No tenant shall be deemed to be a member of the Association, unless such tenant is also a Unit Owner. Tenants shall be subject to the provisions of the Act, the Declaration, these By-Laws and any and all rules and regulations adopted by the Board, and such provisions shall be deemed to be incorporated into any lease of a Unit or renewal thereof the same as if set forth in their entirety therein.

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

2.07 Initial Meeting. The first annual meeting of the members of the Association shall be held on such date as is fixed by the Developer, which date shall be the earlier of 3 years from the date the Declaration is recorded or 60 days from the date when 75% of the Units have been conveyed by the Developer. If the Developer fails to call such meeting by the latest date set forth above, 20% of the members may call such meeting by filing a petition to that effect with the Developer, setting forth a date for the meeting and giving notice thereof in the manner provided for the giving of notices of meetings herein and hold such meeting pursuant to such notice.

2.08 Annual Meetings. An annual meeting of the members of the Association, for the purpose of electing members of Board and the transaction of such other business as may come before the meeting, shall be held on the third Tuesday of October of each year or such other date as is selected by the Board, which date is within 60 days before or after the third Tuesday of October, 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 on the day designated for any annual meeting, or before any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members called as soon thereafter as conveniently may be held.

2.09 Special Meetings. Special meetings of the members of the Association may be called by the Board, the President or not less than 20% of the members. All matters to be considered at special meetings of the members called by not less than 20% of the members shall first be submitted in writing to the Board not less than 3 days prior to giving notice of such meeting.

2.10 Time and Place of Meetings. All meetings of the members of the Association shall take place at 8:00 p.m., in a 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.

2.11 Notice of Meetings. Written notice stating the place, day, hour and purpose of any meeting of the members of the Association shall be mailed or delivered to each member not less than 10 nor more than 30 days before the date of such 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 mailed or delivered to the members at least 21 days prior thereto. Written waiver of notice signed by any person entitled to notice shall be the equivalent of notice having been given.

2.12 Quorum. The members present at a meeting of the members of the Association in person or by proxy holding a majority of the votes that may be cast at such meeting shall constitute a quorum at such meeting. If a quorum is not present at the commencement of any meeting of the members, the meeting shall be adjourned and may be called again only in accordance with the notice provisions herein provided. In voting on amendments to these By-Laws, a Unit Owner who is in arrears on the Unit Owner's regular or special assessments for 60 days or more shall not be counted for purposes of determining if a quorum is present, but that Unit Owner retains the right to vote on amendments to the Association's By-Laws.

2.13 Proxies. At any meeting of the members of the Association, the member entitled to vote may vote either in person or by proxy. All proxies must be executed in writing by the member giving the proxy or by his or her duly authorized attorney in fact, must bear the date of execution, and shall be invalid 11 months from the date of execution unless sooner revoked. Proxies shall be distributed by the Board for the election of members of the Board and shall give the members of the Association the opportunity to designate any person as the proxy holder, and provide them the opportunity to express a preference for any known candidates for the Board and to write in a name.

2.14 Manner of Acting. Except as set forth below and as otherwise required by the Declaration or the Act, or as otherwise provided in these By-laws, any action to be taken at a meeting of the members of the Association at which a quorum is present shall be upon the affirmative vote of more than 50% of the members represented at such meeting. Matters requiring the affirmative vote of 66 2/3% or more of the members at a meeting duly called for that purpose shall include, but not be limited to, the following:

- (a) The merger or consolidation of the Association;
- (b) The sale, lease, exchange or other disposition (excluding the mortgage or pledge) of all, or substantially all, of the property and assets of the Association;
- (c) The purchase or sale of land or Units on behalf of all of the members of the

Association.

ARTICLE III
Board of Managers (or Directors)

3.01 Vesting of Management. The affairs and administration of the Association shall be managed by its Board of Directors, acting in accordance with the provisions of the Act, the Declaration and these By-Laws.

3.02 Number, Tenure, and Qualifications. The number, tenure and qualifications of members of the Board shall be as follows:

(a) The number of members of the Board shall be three;

(b) Until the first annual meeting of the members of the Association and the election of the Board, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed on the Board by the Act, the Declaration and these By-Laws shall be held and performed by the Developer;

(c) Commencing with the date of the first annual meeting of the members of the Association, the members of the Board shall be elected solely by, from, and among the members, shall be elected at large, and shall serve without compensation; if there are multiple owners of a single Unit, only one of such owners shall serve as a member of the Board at any one time;

(d) Members of the Board shall serve for a term of one year or until their respective successors shall have been elected and qualified, and may succeed themselves in office; the term of at least one third of the members of the Board shall expire annually;

(e) If the owner of a Unit is a corporation, partnership, trust, or other legal entity other than a natural person, then any shareholder, officer or director of such corporation, partner of such partnership, beneficiary or trustee of such trust, or manager of such other legal entity shall be eligible to serve as a member of the Board;

(f) If there are multiple owners of a single Unit, only one of such multiple owners shall be eligible to serve as a member of the Board at any one time.

3.03 Election of the Board. At each annual meeting of the members of the Association, the members shall elect the entire Board for the forthcoming year. In all elections for the members of the Board, the three candidates receiving the highest number of votes shall be deemed elected. Prior to the election of the Board, the Board may disseminate to members of the Association biographical and background information about candidates for the Board; provided that reasonable efforts are made to identify all of the candidates, all candidates are given the opportunity to provide such information, and the Board does not express a preference for any candidate.

3.04 Regular Meetings. A regular annual meeting of the Board shall be held immediately after and at the same place as the annual meeting of the members of the Association. 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.

3.05 Special Meetings. Special meetings of the Board may be called by or at the request of the President or 25% of the members of the Board. The person or persons permitted to call special meetings of the Board may fix the date, time and place for the holding of any such special meeting.

3.06 Notice of Meetings. Written notice of regular meetings of the Board shall be given to all members of the Association at least 48 hours before the date of such meeting. Written notice of any special meeting of the Board shall be given to all members of the Association and all members of the Board not calling the meeting at least 48 hours before the date of such special meeting. The business to be transacted at, or the purpose of, any regular or special meeting of the Board shall be specified in each notice. Copies of notices of all meetings of the Board shall be posted in entrance ways or other conspicuous places in or about the condominium at least 48 hours before the meeting.

3.07 Quorum. Members of the Board present at a meeting of the Board holding a majority of the votes that may be cast at such meeting shall constitute a quorum at such meeting. If a quorum is not present at the commencement of any meeting of the Board, the meeting shall be adjourned and may be called again only in accordance with the notice provisions herein provided.

3.08 Manner of Acting. The act of a majority of the members of the Board present at any 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 the Condominium Instruments or the Act.

3.09 Adoption of Rules and Regulations. Rules and regulations, or amendments thereto, shall be adopted by the Board after a meeting of the members of the Association called for the specific purpose of discussing any proposed rules, regulations or amendments thereto, notice of which meeting shall contain the full text of proposals. Rules and regulations shall not be contrary to any provision of the Act, the Declaration or these By-Laws, nor shall they impair any rights guaranteed and secured by the First Amendment to the United States Constitution or Article I, Section 4 of the Illinois Constitution. No quorum shall be required at any such meeting of the members. Such rules, regulations or amendments thereto as are adopted by the Board shall be effective 30 days after adoption; provided, however, that the members may veto any rule, regulation or amendment thereto at a special meeting of the members called for that purpose and held before the effective date thereof by affirmative vote of 66 2/3% of all the members of the Association.

3.10 Open Meetings. All meetings of the Board, whether regular or special, shall be open to the members of the Association, except for any portion thereof held for following purposes:

(a) 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 determines that such an action is probable or imminent;

(b) To consider information regarding appointment, employment, or dismissal of an employee;

(c) To discuss violations of covenants, rules or regulations of the Association or the unpaid share of Common Expenses by any member of the Association;

(d) Notwithstanding the above, any vote taken on such matters shall be open to the members of the Association.

3.11 Recording of Meetings. Any member of the Association may record the proceedings at meetings of the Board or portions thereof required to be open by tape, film or other means, subject to

reasonable constraints prescribed by the Board to govern such recording.

3.12 Vacancies. Any vacancy occurring on the Board by reason of death, resignation or removal of a member of the Board shall be filled by the 2/3 vote of the remaining members of the Board. A member elected by the Board to fill a vacancy shall serve until the next annual meeting of the members; provided, however, that if a petition is filed with the Board signed by members holding 20% of the votes of the Association requesting a meeting of the members to fill such vacancy, the term of the member filled by the Board shall terminate 30 days after the filing of the petition, and a meeting of the members for the purpose of filling such vacancy for such unexpired term shall be called no later than 30 days following the filing of such petition. If, as a result of death, resignation or removal, no member of the Board remains in office or 2/3 of the members of the Board no longer exist, a special meeting of the members may be called to fill all vacancies for the unexpired terms of the members of the Board.

3.13 Resignation. Members of the Board may resign from the Board at any time by written resignation delivered to any other member of the Board or any other officer of the Association, which resignation shall be effective upon receipt of said resignation or any effective date specified therein.

3.14 Removal. From and after the date of the first annual meeting of the members of the Association and the election of the Board, any or all members of the Board may be removed from office by the affirmative vote of 66 2/3% of the members of the Association at a special meeting thereof called for that purpose.

3.15 Conflicts. The Board may not enter into a contract with a current member of the Board or with a corporation, partnership or other entity in which such member or a member of his or her immediate family has a 25% or more interest, unless notice of intent to enter into the contract is given to the members of the Association within 20 days after a decision is made by the Board to enter into the contract and the members are afforded an opportunity, by filing a petition with the Board, signed by 20% of the members, for an election to approve or disapprove the contract. Such petition shall be filed within 20 days after such notice was given, and such election shall be held within 30 days after filing the petition. If no such election is held, the contract shall be deemed approved by the members of the Association and Board shall enter into the contract.

3.16 Powers and Duties. The powers and duties of the Board shall include, but not be limited to, the following, subject to the provisions of the Declaration and the Act:

- (a) To administer the affairs of the Association;
- (b) To elect and remove the officers of the Association;
- (c) To provide for the maintenance, repair and replacement of the Common Elements;
- (d) To adopt rules and regulations concerning the operation and use of the Property or any part thereof;
- (e) To provide for the employment and dismissal of personnel deemed necessary or advisable for the maintenance and operation of the Common Elements, and for such other services deemed necessary or advisable on behalf of the Association, including accountants and attorneys;
- (f) To assess and collect regular and special assessments and other charges lawfully imposed or assessed, and after notice and an opportunity to be heard, to accelerate payments and

levy reasonable late charges for the failure of any member to pay any of such assessments or charges when due;

(g) To impose, after notice and an opportunity to be heard, reasonable fines for violation of any provision of the Declaration, these By-Laws or rules and regulations adopted by the Board;

(h) To enforce the provisions of the Act, the Declaration, these By-Law and the rules and regulations of the Association by the pursuit of any or all legal remedies available;

(i) To establish and maintain one or more bank accounts for the deposit of any funds paid to or received by the Association;

(j) To invest any funds of the Association in certificates of deposit, money markets or comparable safe investments;

(k) To prepare, adopt and distribute an annual budget for the Association;

(l) To keep detailed and accurate records of the receipts and expenditures affecting the use and operation of the Property;

(m) To own, convey, assign, encumber, lease or otherwise deal with Units and land conveyed to or purchased by the Association;

(n) To borrow money, at such rates of interest as it may determine, to issue notes, bonds and other obligations to evidence such borrowing, and to secure any of such obligations by means of a mortgage, assignment or other security interest in any or all property or income of the Association on behalf of the Association;

(o) To obtain adequate and appropriate kinds of insurance on behalf of the Association;

(p) To record the granting of an easement for the laying of television cable or other entertainment or service equipment, or for construction, maintenance or repair of a project for protection against water damage or erosion;

(q) To record the dedication of any portion of the Common Elements to a public body in connection with a street or utility;

(r) To pay real estate 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 Association (other than assessments on Units not owned by the Association);

(s) To reasonably accommodate the needs of any handicapped Unit Owners, as required by the Federal Civil Rights Act of 1968, the Illinois Human Rights Act and any applicable local ordinance, in the exercise of its powers with respect to the use of the Common Elements or approval of modifications in or to any individual Unit;

(t) To engage the services of a manager or managing agent, who may be any person, corporation or other entity, on such terms and compensation and with such authority as the Board shall determine, and to remove such manager or managing agent at any time; provided, however, that any agreement with such manager or managing agent shall extend for not more than three years and must be terminable by either party without cause and without payment of a termination

fee upon 90 days or less prior written notice;

(u) To establish and maintain, in the discretion of the Board, a system of master metering of public utility services and collect payments in connection therewith, subject to the requirements of the Illinois Tenant Utility Payment Disclosure Act.

3.17 Standard of Care. In the performance of their powers and duties, the members of the Board shall exercise the care required of a fiduciary of the members of the Association.

ARTICLE IV **Officers**

4.01 Designation of Officers. The officers of the Association shall consist of a President, one or more Vice Presidents (as determined by the Board), a Treasurer, and a Secretary. Assistant Treasurers or Assistant Secretaries (as determined by the Board), are permitted but not required. Any person may hold more than one office.

4.02 Election, Tenure and Qualifications. The officers of the Association shall be elected annually by the Board at the regular annual meeting of the Board from among the members of the Association, provided that the President must also be a member of the Board. If the election of officers shall not be held at such meeting, the election shall be held as soon thereafter as conveniently may be held. Officers shall serve for a term of one year or until their respective successors shall have been elected and qualified, may succeed themselves in office, and shall serve without compensation.

4.03 Vacancies. Vacancies may be filled or new offices created and filled, or non-required offices deleted, at any meeting of the Board.

4.04 Resignation. Any officer may resign at any time by written resignation delivered to the Board, which resignation shall be effective upon receipt of said resignation or any effective date specified therein.

4.05 Removal. Any officer elected by the Board may be removed by a majority vote of the members of the Board at any meeting of the Board.

4.06 The 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 under the direction of the Board. The President shall preside at all meetings of the Board and all meetings of the members of the Association. The President is authorized to sign, with the Secretary or any other proper officer as 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 shall perform all duties incident to the office of President and such other duties as may from time to time be prescribed by the Board.

4.07 The 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 duties of the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or prescribed by the Board.

4.08 The Secretary. The Secretary (or in the event there be Assistant Secretaries, in order of their election) shall keep the minutes of the meetings of the members of the Association and of the Board, in one or more books provided for that purpose; see that all notices are duly given and posted in accordance with the provisions made and provided herein or as otherwise required by law; post, mail and receive all notices on behalf of the members of the Association; execute, together with the President, or Vice President if the President is unavailable, such instruments and other documents as are required or permitted by the Declaration, these By-Laws or the Act; be custodian of the records of the Association and, if incorporated, of the seal of the Association and see that such seal is affixed to all instruments and other documents, the execution of which on behalf of the Association under such seal is duly authorized or required; and 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 prescribed by the Board.

4.09 The Treasurer. The Treasurer (or in the event there be Assistant Treasurers, in order of their election) 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; deposit all such money in the name of the Association in those banks, trust companies, or other depositories as shall be selected by the Board; pay all just debts of the Association and receive and approve vouchers for payments therefor, and 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 prescribed by the Board.

ARTICLE V

Annual Budget, Assessments and Accounting

5.01 Annual Budget. On or before the first day of September of each year, the Board shall prepare or cause to be prepared a proposed Annual Budget of common expenses for the next fiscal year, which shall include and indicate the total amounts estimated to be required for the costs of salaries, wages, professional fees, payroll taxes, real estate taxes, materials, supplies, insurance, services, repairs, replacements, maintenance, utilities and all other common expenses, together with a reasonable amount considered by the Board to be necessary for reserves, capital expenditures or repairs, and which shall take into account any surplus or deficit from the preceding year, the proposed regular assessments for each Unit, and any other income to the Association. The Board shall deliver a copy of the proposed Annual Budget to each member of the Association at least 30 days before the adoption thereof, and shall give such members not less than 10 nor more than 30 days notice of any meeting of the Board concerning the adoption thereof and the regular assessments pursuant thereto. If any adopted Annual Budget would result in assessments against the members which would exceed 115% of the sum of all assessments for the preceding fiscal year (regular and special), the Board, upon written petition by 20% of the members of the Association filed within 14 days of the action of the Board, shall call a meeting of the members of the Association within 30 days of the filing of such petition to consider the Annual Budget. Unless a majority of the members of the Association vote at such meeting to reject the Annual Budget, it is ratified.

5.02 Regular and Special Assessments. Members of the Association shall be assessed regular and special assessments as follows:

(a) The Annual Budget shall be assessed as regular assessments among the Units, in accordance with the percentage of ownership interest in the Common Elements attributable to each Unit, in equal monthly installments payable on or before the first day of January of each year and on or before the first day each consecutive month thereafter until the end of the year;

(b) Notwithstanding the foregoing, until the establishment of an Annual Budget by the Board, purchasers of Units shall pay regular assessments in accordance with ownership interest in

the Common Elements from and after the closing of the purchase based upon an initial Annual Budget or subsequent budget determined by the Developer. The Developer shall be responsible for remaining costs of maintenance and other expenses of the Association until the last Unit is sold;

(c) If the Annual Budget proves inadequate for any reason, including the nonpayment of any assessments, or any non-recurring common expense or any other expense (excluding additions and alterations to the Common Elements), not set forth in the Annual Budget as adopted, the Board may levy a special assessment, which shall be separately assessed to the members of the Association according to the respective percentage of ownership interest in the Common Elements, and which may be payable in a lump sum or in such installments as the Board may determine. The Board shall give all of the members of the Association not less than 10 nor more than 30 days notice of any meeting of the Board concerning the adoption of such special assessment, which shall contain therein a statement in writing giving the amount and reasons therefor, and the date or dates such assessment shall be effective and payable. If such adopted special assessment would result in assessments against the members which would exceed 115% of the sum of all assessments for the preceding fiscal year (regular and special), the Board, upon written petition by 20% of the members of the Association filed within 14 days of the action of the Board, shall call a meeting of the members of the Association within 30 days of the filing of such petition to consider such special assessment. Unless a majority of the members of the Association vote at such meeting to reject such special assessment, it is ratified;

(d) The Board may levy a special assessment, which shall be separately assessed to the members of the Association according to the respective percentage of ownership interest in the Common Elements, and which may be payable in a lump sum or in such installments as the Board may determine, for additions and alterations to the Common Elements not otherwise provided for in the Annual Budget. The Board shall give all of the members of the Association not less than 10 nor more than 30 days notice of the meeting of the Board concerning the adoption of such special assessment, which shall contain therein a statement in writing giving the amount and reasons therefor, and the date or dates such assessment shall be effective and payable. If such adopted special assessment would result in assessments against the members which would exceed 115% of the sum of all assessments for the preceding fiscal year (regular and special), the Board, upon written petition by 20% of the members of the Association filed within 14 days of the action of the Board, shall call a meeting of the members of the Association within 30 days of the filing of such petition to consider such special assessment. Unless 66 2/3 of the members of the Association vote at such meeting to approve such special assessment, it is rejected;

(e) The Board may adopt and assess separate assessments for expenditures relating to emergencies or mandated by law, without being subject to the approval of the members of the Association. In determining whether assessments exceed 115% of all regular and special assessments in the preceding fiscal year, any separate assessment for expenditures relating to emergencies or mandated by law shall not be included in the computation. As used herein, "emergency" means an immediate danger to the structural integrity of the Common Elements or to the life, health, safety, or property of the members of the Association;

(f) If the Board provides for the payment of any special assessment in installments extending into another fiscal year (multi-year assessment), in determining whether the 115% barrier is broken, the assessments for all years shall be considered as having been adopted in the first year;

(g) The Board may charge to fewer than all of the members such portion of any insurance

premium for insurance the Association is required or permitted to obtain that reflects increased charges for coverage on the Units owned by such members, on such reasonable basis as the Board shall determine. Such increased charges shall be considered a common expense with respect to the Units owned by such members for all purposes herein and under the Declaration;

(h) The Board shall have no authority to waive or forgive any assessment provided herein;

(i) The failure or delay of the Board to provide and distribute any Annual Budget to the members of the Association, or to adopt the same, shall not constitute a waiver or release of the obligation to pay assessments as herein provided. In the absence of any annual or adjusted budget for a succeeding year, assessments shall continue at the then existing amount as established by the most recent budget;

(j) 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 of the members for increased insurance premiums) shall be held for the benefit, use, and account of all of the members of the Association in their relative percentages of ownership interest in the Common Elements.

5.03 Default in Payment. In addition to any remedies provided in the Act or the Declaration, if a member of the Association fails to pay any assessment or other charge within 15 days of the date when due from such member, the Association may assess a late charge of up to 4% of the balance of such assessment or charge for each month, or part thereof, that the balance, or any part thereof, remains unpaid. The Association may bring an action to enforce collection thereof, or to foreclose the lien therefor as provided by the Act. In addition thereto, the Association may take possession of such defaulting member's interest in the Property by maintaining an action for possession of the member's Unit in the manner provided by the Act. In connection with the foregoing, there shall be added to the amount due from such member the costs of said action, reasonable attorney fees and interest as provided by law. Non-use of the Common Elements, abandonment, or sale or other transfer of a Unit shall not relieve such member from any owing assessment or other charge.

5.04 Annual Accounting. Within 90 days after the end of each fiscal year, or as soon thereafter as may be practicable, the Board shall furnish or cause to be furnished to all members of the Association an itemized accounting of the Common Expenses for the preceding fiscal year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes, and with a tabulation of the amounts collected pursuant to the budget or assessments. Said accounting shall show 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 member's percentage of ownership in the Common Elements to the next monthly installments due from the members under the current year's Annual Budget, until exhausted, and any net shortage shall be added, according to such percentage of ownership, to the installments due in the succeeding six months after furnishing the accounting.

5.05 Authorized Expenditures. The Association shall provide and pay for the following in accordance with the Annual Budget:

(a) Water, waste removal, heating, electricity, telephone, or other necessary utility service 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, painting, cleaning, tuck pointing, maintenance, decorating, repair, and replacement of the Common Elements (but not including the Limited Common Elements not visible from the exterior of the Property, which the Unit Owners enjoying the use thereof shall paint, clean, maintain, decorate, repair and replace, 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 the same for the Common Elements. Anything in the Declaration or the foregoing to the contrary notwithstanding: (1) the Association shall be responsible for the repair and replacement of all skylights, windows and exterior doors provided that when the need for repair or replacement is due to the act or omission of a Unit Owner, occupant, guest, invitee or pet, the Association shall charge the Unit Owner for the cost of such repair or replacement; and (2) a Unit Owner shall be solely responsible for the maintenance, repair, and replacement of (i) the air conditioner compressor serving such Unit Owner's Unit exclusively and all pipes, ducts, and wires connecting such compressor to the air conditioning equipment in the Unit Owner's Unit; and (ii) heating equipment serving such Unit Owner's Unit exclusively no matter where the equipment is located and all pipes, ducts, and wires connecting such equipment to the Unit Owner's Unit;

(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 the enforcement of any restrictions or provisions pertaining thereto;

(e) Any amount necessary to discharge any mechanic's 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 lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Association by reason of said lien or liens shall be specially assessed to said Unit Owners and shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the Property, which lien may be perfected and foreclosed in the manner provided in Section 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, if such 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 said Unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity thereof is delivered by the Association to the Unit Owner; provided that the Association shall levy a special assessment against such Unit Owner for the cost of such maintenance or repair, and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in the Act with respect to liens for failure to pay a share of the Common Expenses;

(g) Maintenance and repair (including payment of real estate taxes and common expenses) with respect to any Unit owned by the Association.

(h) The Association shall provide a financial statement for the preceding fiscal year

within one-hundred-twenty (120) days after the end of such fiscal year. Upon submission of a written request by majority of holders, insurers, or guarantors of a first mortgage secured by a Unit, such financial statement shall be an audited statement, prepared at their expense.

5.06 Capital and Maintenance Reserves.

(a) The Association shall build up and maintain reasonable reserves for operations, contingencies and replacements. In the establishment of such reserves, the Developer shall collect from each member upon conveyance of a Unit an amount equal to twice the monthly assessment for such Unit as initially established by the Developer, and within 60 days of the sale of the first Unit deposit such sum for all unsold Units. As and when such Units are later sold, the Developer may collect from the purchasers of such Units the respective share of the funds so deposited. Extraordinary expenditures not originally included in an Annual Budget which become necessary during the year shall be charged first against such reserves. The Association or the Board shall have the right to segregate all or any portion of the reserves for any specific replacement or contingency on such conditions as the Association or the Board deems appropriate. The Developer may not use any of the reserves to defray any of its expenses or make up any deficits in the budget while the Developer is in control of the Association.

(b) In determining the amount of capital and maintenance 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 and surfaces of the buildings and Common Elements and energy systems and equipment related thereto; (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 the members of the Association 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.

(c) Notwithstanding anything to the contrary above contained, the Association may elect to waive in whole or in part the reserve requirements of this section by affirmative vote of not less than 66 2/3% of the total votes of the Association at a meeting of the members of the Association called for that purpose. In the event the Association elects to waive all or part of such requirements, such fact must be disclosed 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 to be given in the Act, that 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 reserves in the Annual Budget. If such requirements are at any time waived in accordance herewith, the Association may, by the affirmative vote of not less than 66 2/3% of the total votes of the Association, elect to again be governed by such reserve requirements.

ARTICLE VI **Books and Records**

6.01 Association Records. The Association shall keep and maintain the following records of the Association, for such time as prescribed by the Act or by law:

(a) The Declaration, By-Laws, other Condominium Instruments and any amendments thereto, and the rules and regulations adopted by the Board;

(b) Articles of Incorporation and any amendments thereto, if incorporated under the Illinois General Not For Profit Corporation Act of 1986, as amended, together with the Record Book of such corporation;

(c) Minutes of all meetings of the Association and the Board for the immediately preceding seven (7) years;

(d) Current policies of insurance for the Association;

(e) Ballots and proxies for all matters voted on by the Unit Owners for the immediately preceding twelve (12) months;

(f) 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;

(g) A current listing of the names, addresses and weighted vote of all Unit Owners entitled to vote at a meeting of Unit Owners;

(h) Books and records of account for the Association's current fiscal year and immediately preceding 10 fiscal years, including, but not limited to, itemized and detailed records of all receipts and expenditures affecting the Property;

6.02 Availability to Members. The Association shall make available for examination and copying to members of the Association, all First Mortgagees and their duly authorized agents or attorneys, upon written request stating the records to be examined, at convenient hours and subject to costs of retrieval, making available and copying, the following:

(a) Records contained in Sections 6.01(a - d) above;

(b) Records contained in Sections 6.01(e - h) above, subject further to a written statement of proper purpose for the request, and excluding the following unless directed by an order of court: (1) documents relating to appointment, employment, discipline or dismissal of any employee of the Association; (2) documents relating to actions pending against or on behalf of the Association or its Board in a court or administrative tribunal; (3) documents relating to actions threatened against, or likely to be asserted on behalf of, the Association or its Board in a court or administrative tribunal; (4) documents relating to common expenses or other charges owed by a member other than the requesting member; and, (5) documents provided to the Association in connection with the lease, sale or other transfer of a Unit by a member other than the requesting member;

(c) Such other records of the Association, if applicable, as are available for inspection and copying by members of a not for profit corporation pursuant to Section 25 of the Illinois General Not For Profit Corporation Act of 1986, as amended.

6.03 Member's Statement of Account. Upon 10 days notice given to the Board and the payment of a reasonable fee as determined by the Board from time to time, any member of the Association shall be furnished with a statement of his or her account setting forth the amount of any unpaid assessments or other charges due and owing to the Association from such member.

ARTICLE VII

Contracts, Loans, Checks and Deposits

7.01 **Contracts.** The Board may authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, which authority may be general or confined to specific instances.

7.02 **Loans.** No loans shall be contracted by or on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

7.03 **Checks, Drafts and Notes.** 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 agent of the Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such resolution, such instruments shall be signed by the Treasurer or the President of the Association, or by any Vice President or Assistant Treasurer if the President or Treasurer is unavailable.

7.04 **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 depositories as the Board may select.

ARTICLE VIII **Indemnification**

8.01 **General.** The Association shall indemnify 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 member of the Board or officer of the Association, against expenses, including attorneys fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by or imposed on the person in connection with such action, suit, or proceeding if the person acted in good faith and in a manner the person 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 conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his conduct was unlawful.

8.02 **Actions By or On Behalf of the Association.** The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a member of the Board or an officer of the Association against expenses, including attorneys fees, actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of the Association; except that no indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

8.03 Success on the Merits. To the extent that a member of the Board or officer of the Association has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in Sections 8.01 and 8.02 hereof, or in defense of any claim, issue, or matter therein, the person shall be indemnified against expenses, including attorneys fees, actually and reasonably incurred by the person in connection therewith.

8.04 Determination of Right to Indemnity. Any indemnification under Sections 8.01 and 8.02 hereof shall be made by the Association only as authorized in the specific case, upon a determination that indemnification is proper in the circumstances because the person has met the applicable standard of conduct as set forth therein. Such determination shall be made: (a) by the Board by a majority vote of a quorum consisting of members of the Board who were not parties to such action, suit, or proceeding, or (b) if such a quorum is not obtainable, or even if it is obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by a majority of disinterested members of the Association. Indemnification shall be a common expense.

8.05 Advance Payment. 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 such action, suit, or proceeding, as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the member of the Board or officer of the Association to repay such advanced expenses unless it shall ultimately be determined that the person is entitled to be indemnified by the Association as authorized herein.

8.06 Non-Exclusivity. The indemnification provided herein shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any statute, agreement, vote of disinterested members of the Association or disinterested members of the Board, or otherwise, both as to action in an official capacity and as to action in any other capacity concerning the Association while holding such office, and such rights shall continue after a person has ceased to be a member of the Board or an officer of the Association and shall inure to the benefit the person's heirs, executors, administrators and assigns.

ARTICLE IX **General Provisions**

9.01 Amendment to By-Laws. Except as otherwise expressly provided in the Declaration or the Act, these By-Laws may be altered, amended, repealed, or new By-Laws adopted, upon the affirmative vote of 66 2/3% of the members of the Association at a meeting of the members called for that purpose, together with an instrument in writing setting forth such alteration, amendment, repeal or addition, which is acknowledged and signed by an authorized member of the Board and which contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained. Any alteration, amendment, repeal or addition to the By-Laws shall be by means of an amendment to the Declaration as set forth therein, and shall not be inconsistent with the Declaration or the Act.

9.02 Fiscal Year. The fiscal year of the Association shall be as determined by the Board.

9.03 Construction. Nothing herein contained shall in any way be construed as altering, amending, or modifying the Declaration. The Declaration and these By-Laws shall always be construed to further the harmonious, beneficial, cooperative, and proper use and conduct of the Property. If at any time there is any inconsistency or conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control.

9.04 Definitions. All words and terms used herein that are also used in the Declaration shall have the same meaning as defined therein.

EXHIBIT C

To Declaration of Condominium Ownership
for

CONDOMINIUM PLAT

EXHIBIT D

To Declaration of Condominium Ownership
for

LEGAL DESCRIPTION OF UNITS

EXHIBIT E

SCHEDULE OF PERCENTAGE OF OWNERSHIP
INTEREST IN COMMON ELEMENTS:

<u>Unit No.</u>	<u>Percentage of Interest</u>
	100%