

DECLARATION OF CONDOMINIUM OWNERSHIP
FOR FAIRWAY GREENS AT
ANTIOCH GOLF CLUB CONDOMINIUMS

THIS DECLARATION (hereinafter "Declaration") made and entered into by WINDSOR DEVELOPMENT CORPORATION, (hereinafter for convenience referred to as "Declarant" or "Developer").

W I T N E S S E T H:

WHEREAS, Declarant is the legal title holder of the real estate described on Exhibit "A", attached hereto and by this reference made a part hereof (hereinafter for convenience referred to as "Parcel"), all of said real estate being located in the Township of Antioch, County of Lake and State of Illinois; and

WHEREAS, Declarant is construction on said Parcel various lowrise residential buildings, each building containing (a) either seven (7) or eight (8) dwelling units (as hereinafter defined) and intends to submit said property to the terms and conditions of this Declaration as set forth herein; and

WHEREAS, Declarant desires and intends by this to submit the Property (as hereinafter defined) to the provisions of the Condominium Property Act of the State of Illinois, as amended from time to time (hereinafter sometimes referred to as the "Act"), and is further desirous of establishing for its own benefit and that of all future owners or occupants of the Property, or any part thereof (which shall be known as the FAIRWAY GREENS AT ANTIOCH GOLF CLUB CONDOMINIUMS) certain easements and rights in, over and upon the Property and mutually beneficial restrictions and obligations with respect to the use and maintenance thereof; and

WHEREAS, Declarant desires and intends that the several owners, mortgagees, occupants (as hereinafter defined) and other persons hereafter acquiring any interest in said property shall at all times enjoy the benefits of, and shall hold their interest subject to, the rights, easements, privileges and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of ownership and to

facilitate the proper administration of such Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

NOW, THEREFORE, Declarant, as the Owner of the real estate, or Parcel, hereinbefore described, and for the purposes above set forth, DECLARES AS FOLLOWS:

ARTICLE I
Definitions

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

1. Act. The Condominium Property Act of the State of Illinois, as amended.

2. Association. THE FAIRWAY GREENS AT ANTIOCH GOLF CLUB Condominium Association.

3. Board. The Board of Directors of the Association selected pursuant to the terms of this Declaration, the Articles of Incorporation of the Association and the By-Laws thereof.

4. Building or Buildings. The Building or Buildings constructed by Developer, located on the Parcel and forming part of the Property and containing the Units as indicated by the Plat or Plats for the FAIRWAY GREENS AT ANTIOCH GOLF CLUB Condominiums.

5. Common Elements. All portions of the Property, except the units.

6. Common Expenses. The expenses of administration (including management and professional services), maintenance, operation, repair and replacement of the Common Elements; the cost of additions, alterations, or improvements to the Common Elements; the cost of insurance required or permitted to be obtained by the Board; utility expenses for the Common Elements; any expenses designated as Common Expenses by the Act, this Declaration, or the

By-Laws; if not separately metered or charged to the Owners, the cost of waste removal, water, sewer, or other necessary utility services to the Condominium Property; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners.

7. Declarant or Developer. WINDSOR DEVELOPMENT CORPORATION. For purposes of this Declaration, the terms Declarant and Developer shall be considered interchangeable as to the rights and obligations contained herein. The term Declarant, as defined herein, shall also include such of their successors and assigns who are specifically assigned the respective rights and obligations of Declarant hereunder and Declarant shall have the right to assign any or all of its rights and obligations to any such successor or assign.

8. Declaration. This instrument, by which the Property as hereinafter defined, is submitted to the provisions of the Act, and which shall include such Amendments, if any, to this instrument as may be adopted from time to time pursuant to the terms hereof.

9. First Mortgagee. The holder of a bona fide first mortgage, first trust deed or equivalent security interest covering a Unit.

10. Limited Common Elements. A portion of the Common Elements so designated in this Declaration as shown on Plat of Survey as being reserved to a certain Unit or Units, to the exclusion of other Units, including but not limited to, garage spaces and decks.

11. Lot. A platted lot in the Plat of Subdivision (as hereinafter defined) on which a Building is located. The lots are part of the Property (as hereinafter defined).

12. Master Declaration. The Declaration of Easements, Covenants and Restrictions recorded in the Office of the Recorder of Deeds of Lake County, Illinois as Document Number 1920598;

13. Occupant. Person or person, other than an Owner, in lawful possession of one (1) or more Units.

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

15. Parcel. The tract of real estate described on said attached Exhibit "A" which is hereby submitted to the provisions of the Act.

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

17. Plat. The Plat or Plats of Survey of the Parcel and all Units in the Property submitted to the provisions of the Act, which Plat or Plats are attached hereto as Exhibit "B", and recorded this Declaration. Declarant reserves the right to make corrections to said Plat.

18. Plat of Subdivision. The plat of subdivision for the property known as Fairway Manor at Antioch Golf Club as recorded in the Office of the Recorder of Deeds of Lake County, Illinois on May 22, 1995 as Document No. 3675959, as amended from time to time.

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

20. Undivided Interest. The percentage of ownership interest in the Common Elements appurtenant to a Dwelling Unit as herein and hereafter allocated on Exhibit "C" hereto, as Exhibit "C" may be amended from time to time.

21. Unit or Dwelling Unit. A part of the Property designated and intended for any type of independent use.

22. Unit Ownership. A part of the Property consisting of one (1) Unit and the undivided interest in the Common Elements appurtenant thereto.

23. Voting Member. One (1) Person with respect to each Unit Ownership designated and entitled to vote at any meeting of the Unit Owners.

ARTICLE II

UNITS

1. Description and Ownership. All Units in the Buildings located on the parcel are delineated on the surveys attached hereto as Exhibit "B". The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on the Plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act.

Each Unit is bounded by and shall consist of the space enclosed and bounded by the horizontal and vertical planes as delineated on Exhibit "B". Furnaces, air conditioning and heating systems located within each Unit, subject to the provisions of this Article II, Paragraph 2 as hereinafter set forth, are deemed to be part of a Unit. Said Unit shall include the entire front and rear door (if any), and any windows or glass surfaces along the wall of any Unit, including the frames or other parts thereof. The interior space of a basement is part of a Unit.

Except as otherwise provided by the Condominium Property Act, no Unit Owner shall, by deed, plat or otherwise, combine or subdivision or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

2. Certain Structures not Constituting Part of a Unit. Except as a tenant-in-common with all other Unit Owners so served, no Unit Owner shall own any pipes, wires, conduits, public utility lines, ducts, structural components or water meters running through his Unit and serving more than his Unit, whether or not such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit.

ARTICLE III

Common Elements

1. Description. Except as otherwise provided in this Declaration, the Common Elements shall consist of all portions of the Property, except the individual Units. Without limiting the generality of the foregoing, the Common Elements shall include the land on which a condominium building is located, entrances and exits, interior garage spaces, storage areas, sump pumps, attics, roofs, incinerators, pipes, ducts, flues, chutes, electrical wiring and conduits, piping, sewers, sewer lines, public utility lines and other utility installations to the outlets, such component parts of air conditioning piping, floors, ceilings, and perimeter walls not considered as part of a Unit as shown on the Plat, and all structural parts of the Buildings, including all structural columns located within the boundaries of a Unit. The Common Elements shall also be deemed to include all areas outside of the condominium buildings which are part of the Property, including, but not limited to, all open areas around and between the Buildings, landscaping areas, certain other designated parking areas, if any, service walks from garages to the Units, including, but not limited to, any improvements, structures or personal property on the foregoing, service walks from garages to the Units, entry monuments and fencing, if any.

2. Ownership and Use of Common Elements. Each Unit Owner shall be entitled to and own an undivided interest in the Common Elements, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes of residence, and such other incidental uses permitted by this Declaration, which right

shall be appurtenant to and run with his Unit. Such right to use the Common Elements shall extend to each Unit Owner, his agents, tenants, family members, invitees and all Occupants and shall be subject to the Act, this Declaration and rules and regulations of the Board of Managers of the Association. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in the schedule attached hereto as Exhibit "C" which is by this reference made a part hereof as though fully set forth herein. The aforesaid percentages of ownership interest have been computed and determined in accordance with the Act, and shall remain constant unless hereafter changed by recorded Amendment to this Declaration, including a revised Exhibit "C", either in accordance with the Act or as otherwise provided in this Declaration. Each Unit Owner's right to vote is set forth in the By-Laws in Exhibit "D" attached hereto and made a part hereof.

3. Limited Common Elements.

a. A portion of the Common Elements are composed of "Limited Common Elements" which are reserved for the use of a certain Unit or Units to the exclusion of other Units. The following is a designation of Limited Common Elements: decks (all these, if any), interior garage spaces, interior and exterior stairs, walkways, hallways and separate utility meter areas, are hereby designated as Limited Common Elements, and each Unit Owner shall be entitled to the exclusive use and possession of decks, garage spaces and driveways, direct access to which is provided from any part of his respective Unit, and which is or are located outside of and adjoining any part of his respective Unit and which may service one (1) Building or a particular group of Buildings.

b. Those parts of the Common Elements serving exclusively each Building as an inseparable appurtenance thereto, including, without limitation, the structural components of each Building (the exterior walls of and contained in each Building, floors, ceilings, roofs, foundations, support columns, conduits and pipes relating to utility facilities placed in each building and all

associated fixtures and structures therein, all as may lie outside the Unit boundaries), are hereby designated as Limited Common Elements for the exclusive use and benefit of the Units contained in each Building.

c. The Board is responsible for the repair, maintenance, operation and appearance of the Limited Common Elements. Notwithstanding the foregoing, at the discretion of the Board, the repair, maintenance, operation and appearance of the Limited Common Elements may be assessed in whole or in part to the Unit Owners benefited thereby. The Unit Owners of any Building shall not alter the Limited Common Elements of a Unit or a particular building, except to the extent and in conformance with the rules and regulations adopted by the Board.

ARTICLE IV

General Provisions as to Units and Common Elements

1. Submission of the Property to the Act. The property is hereby submitted to the Condominium Property Act of the State of Illinois, as amended.

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

3. No Partition of Common Elements or Units. There shall be no partition of the Common Elements and/or Units through judicial proceedings or otherwise until this Declaration is terminated and the Property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership.

4. Maintenance of Common Elements: Common Expenses. Except as otherwise provided herein, management, repair, alteration and improvement of the Common Elements (including the Limited Common Elements) shall be the responsibility of the Board or Association. Each Unit Owner shall pay his proportionate share of the Common Expenses (as hereinafter defined), including a contribution covering applicable common expenses incurred by the Master Association. In the event of the failure of a Unit Owner to pay his proportionate share when due, the amount thereof shall constitute a lien on the interest of such Unit Owner as provided by the Act. Except as otherwise expressly provided herein, the Declarant hereby agrees to maintain the Common Elements as to and until the date the first Unit is conveyed to a Purchaser. From and after the date of said conveyance, the Association agrees to maintain, repair and replace the Common Elements.

5. Garage Spaces and Decks. All garage spaces and any decks to the extent not part of a Unit, if any, shall be part of the Limited Common Elements and not a part of any individual Unit; however, each Unit Owner shall be entitled to the exclusive use and possession of that garage space, driveways leading to each parking space and deck, if any, direct access to which is provided from his respective Unit. Owner shall not change a garage space and deck in any manner contrary to such rules and regulations as may be established by the Board or Association.

6. Air Conditioning Compressors. There may be adjoining each Building air conditioning compressors serving units in each Building, which compressors are located on concrete pads. Each air conditioning compressor and the concrete pad upon which it is located are hereby deemed owned by the Owner of the unit which it serves and said Unit Owner shall have all incidents of Ownership in connection with said compressor and concrete pad, including the risk of loss, damage, destruction, maintenance and repair.

7. Easements.

a. Encroachments. In the event that, by reason of the construction, settling or shifting of all or any of the Buildings, or the design or construction of any Unit, any part of the Common Elements encroaches or shall

hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Elements or any other Unit, or if, by reason of the design or construction of utility systems, any main pipes, ducts or conduits serving more than one (1) Unit encroach or shall hereafter encroach upon any part of any Unit, valid mutual easements for the maintenance of such encroachment and for such use and occupancy of the Common Elements are hereby established and shall exist for the Owners of such Units or the Common Elements, as the case may be, so long as all or any part of the Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment or use of the Common Elements be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Property by the other Owners or is such encroachment or use occurred or is occasioned due to the intentional, willful or negligent conduct of any Owner or Occupant or the agent of either.

b. (i) Utility and Cable Television Easements.

The Illinois Bell Telephone Company, Commonwealth Edison Company, Northern Illinois Gas Company, Lake County Public Works Department, the Township of Antioch Illinois, and all other suppliers of utilities serving or proposing to serve the Property or any portion thereof are hereby granted the right to install, lay, construct, operate, maintain, renew, alter, remove and replace conduits, cables, mains, pipes, wires, transformers, switching apparatus and other equipment, and water, sewer and other utilities, into, over, under, on and through the Common Elements for the purpose of providing utility services to the Property or any portion thereof. This is in addition to the easements provided as stated in the Plat of Subdivision. The board may hereafter grant additional utility easements for the benefit of the Property over, under, along and on any portion of the Common Elements, and each Owner hereby grants to the Board an irrevocable power of attorney coupled with an interest to execute, acknowledge, register and record for and in the name of all the Owners, such instruments as may be necessary or appropriate to effectuate the foregoing. Easements are also hereby declared and granted to the Developer or its assignee to install, lay, construct, operate, maintain, renew, repair and replace any conduits, cables, pipes, wires or other equipment or components of a community antenna

television service system into, over, under, on and through the Common Elements for the purpose of providing such television service to the Property or to other property.

(ii) Upon the majority vote or more than fifty percent (50%) of the total votes of the Unit Owners at a meeting duly called for such purpose, the Board may grant an easement for the laying of cable television cable.

c. Reservation of Rights. Anything contained in this Declaration to the contrary notwithstanding, Declarant hereby reserves for itself, its agents, employees, contractors, subcontractors, workmen, materialmen, invitees and any successor builders an easement for ingress and egress under, over and across the Common Elements (as amended from time to time by add-on amendments) located thereon or any part thereof, for the purposes of constructing, completing, repairing, maintaining, inspecting, exhibiting, selling and renting any Units or Buildings then owned by Declarant and for the purposes of constructing, completing, repairing, maintaining, inspecting and exhibiting facilities permitted herein on the Common Elements.

d. Water Charges; Watering Common Areas; Certain Exterior Water Faucets. All water used by the Declarant, Association or Unit Owners for maintenance of the Common Elements shall be deemed a Common Expense. The Declarant reserves for itself, the Association and their designees, their successors and assigns, the right to attach hoses and other water sprinkling devices to, and obtain water from, the water faucets on the exterior of the first floor of each Building on the Property to furnish water to clean and maintain the Common Elements. If said water faucets are "metered" to a particular Unit Owner, he shall be promptly reimbursed by the Association as to said costs incurred. The duty to maintain, repair and replace the exterior portion of said outside water faucets shall remain in the Owner of each Unit to which said water faucet is connected, but said Unit Owner shall be promptly reimbursed by the Association as to said costs incurred. This grant is perpetual and cannot be terminated without the consent of

the Board and so long as Declarant owns Units in the Property without the consent of the Declarant.

e. Easements to Run with Land. All easements and rights described herein are easements appurtenant to and running with the land, perpetually in full force and effect, and at all times shall insure to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, purchaser, mortgagee and other persons having an interest in the Property or any part or portion thereof. Reference in any deed of conveyance or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article or described in any other part of this Declaration shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

8. Survey Amendments. Declarant reserves the right to and shall cause to be recorded from time to time until all of said structural components are in place, an amended survey or surveys showing the actual locations and dimensions of the boundaries of those Units in the Buildings that are completed after the date Exhibit "B" was prepared. Whenever in this Declaration the term "survey", "surveys" or "Exhibit B" appears, it shall be deemed to include such amended survey or surveys as shall be hereafter recorded pursuant to this Paragraph.

9. Separate Mortgages of Units. Each Unit Owner shall have the right to mortgage or encumber his own respective Unit, together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the Property or any part thereof, except his own Unit and his own respective ownership interest in the Common Elements as aforesaid. Within fifteen (15) days of the recording of a mortgage or trust deed against a Unit given by the Owner of that Unit to secure a debt, the Owner shall inform the Association of the identity of the lender

together with a mailing address at which the lender can receive notices from the Association.

10. Separate Real Estate Taxes. It is intended that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements. Upon authorization by the affirmative vote of not less than a majority of the Unit Owners at a meeting duly called for such purpose, the Board of Managers, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with the assessment or levy of any such taxes, special assessments or charges, and any such taxes levied and assessed on any open common areas, and to charge and collect all expenses incurred in connection therewith as Common Expenses.

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

12. Insurance; Unit Owners. Each Unit Owner shall be responsible for obtaining and keeping in full force and effect his own insurance on the decorating and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability insurance as Owner of said Unit, all to the extent not covered by the fire and liability insurance for all of the Unit Owners obtained as part of the Common Expenses as provided below in the By-Laws of this Declaration.

The Board shall not be responsible for obtaining insurance on any additional alterations or improvements made by any Unit Owner to his own Unit (for example, wall treatments affixed to the Unit walls, etc.) unless and until such Unit Owner shall request the Board, in writing,

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

Each Unit Owner, the Board and Association hereby waives and releases any and all claims which they may have against any other Unit Owner, the Association, its officers, members of the Board, the Developer, the manager and managing agent of the Buildings, and their respective employees and agents, for damage to the Common Elements, the Units or to any personal property located in the Unit or Common Elements, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance.

13. Maintenance, Repairs and Replacement of Common Elements and the Units.

a. By the Board. The Board or Association, at its expense, shall be responsible for the maintenance, repair and replacement of the exterior portions of the Buildings, the garage door for each Unit, and those portions, if any, of each Unit which contribute to the support of the Buildings, excluding, however, interior wall, ceiling and floor surfaces, except to the extent insurance proceeds received by the Board resulting from said damage or destruction, covers said repairs. In addition, the Board or Association shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilitates for the furnishing of utility services which may be located within the Unit boundaries as specified in Article II, Paragraphs 1 and 2, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of an individual Owner under any other provision of this Declaration. The Association by the Board shall authorize any painting of the exterior of the Buildings and any maintenance within the Buildings outside of the Units, including, but not limited to, hallways,

storage facilities, outside of a Unit, if any. The Board shall further be responsible for any maintenance as hereinabove set forth in this subparagraph in order to meet the requirements of any maintenance code adopted by the Township of Antioch. In addition, the Board or Association, at its expense, shall be responsible for the maintenance, repair and replacement of all landscaping and open areas between the Buildings made a part of the property, the detention areas, if any, maintenance, repair, replacement of entry monuments, signage and any fencing, if any; maintenance responsibility for the detention areas, if any, and all snow removal from driveways on the Property, payment of real estate taxes, if any, on any of the Common Elements; and insurance required on any of the Common Elements including, but not limited to, exterior portions of all Buildings.

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

(i) All of the maintenance, repairs and replacements within his own Unit, including the windows and doors of his own Unit, and all internal installations in such Unit such as refrigerators, ranges and other kitchen appliances, lighting fixtures and other electrical fixtures, and heating, plumbing and air conditioning fixtures or installations and any portion of any other utility service facilities located within the Unit boundaries as specified in Article II, Paragraphs 1 and 2. The Board or Association may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Building personnel as a Common Expense.

(ii) All of the decorating within his own Unit from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of his Unit as shown on the Plat, and such Unit Owner shall maintain such portions in good condition, at his sole expense, as

may be required from time to time, which said maintenance and use shall be subject to the rules and regulations of the Board or Association. The interior and exterior surfaces of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Unit Owner. Decorating of the Common Elements (other than interior surfaces within the Units as above provided), and any redecorating of Units to the extent made necessary by any damage to existing decorating of such units caused by maintenance, repair or replacement work on the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses. The respective obligations of the Association and Unit Owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required to cure a latent or patent defect in material or workmanship in the construction of the Property, nor because they may become entitled to the benefit of any construction guarantee or proceeds under policies of insurance. In addition and notwithstanding anything hereinabove to the contrary, no Unit Owner shall have a claim against the Board, Association or another Unit Owner for any work (such as certain exterior window cleaning or decorating) ordinarily the responsibility of the Board or Association, but which the Unit Owner himself has performed or paid for, unless the same shall have been agreed to in writing in advance by the Board or Association or, upon proper request, by the Unit Owner that the Board perform said work, the Board fails to do so.

14. Negligence of Owner. Unit Owners, the Board and the Association hereby waive any and all claims which they may have against any other Unit Owner due to the negligent act or omission of said Unit Owner, or a member of his family or household pet or of a guest or any other authorized Occupant or visitor of such Unit Owner for damage caused to the Common Elements or Units owned by others, to the extent that such damage is covered by insurance carried by the Association or Board of Managers or the Unit Owner who has suffered damage. Except as otherwise set forth in this Declaration, if due to the negligent act or omission of a Unit Owner, or a member of his family or household pet or of a guest or other authorized Occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or

maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board, which determinations shall be uniformly applied considering the particular circumstances of each situation.

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

16. Alterations, Additions or Improvements. No alterations of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board, including, but not limited to, the construction of any additional decks or fencing.

ARTICLE V
COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

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

1. Use. No part of the Property will be used for other than housing and related common purposes for which the Property was designed. Each Dwelling Unit shall be used as a residence for a single family and for no other purposes. The parking spaces and driveways in front of garage spaces and other parking areas, if any, shall be used for parking operable automobiles, motorcycles and other motor vehicles and for no other purposes, subject to such reasonable rules and regulations as may be adopted by the Board. Campers, trailers, pick-up trailers,

recreational vehicles, and other types of non-passenger vehicles and accessories, including boats and snowmobiles, shall be stored in garages only, if the garage door can be closed. The Board may authorize such vehicles and items parked in violation of this provision to be towed away and any such towing charge shall become a lien on the Unit Owner if he owns the vehicle or item or his Occupant owns same.

2. Restrictions. There shall be no obstruction of the Common Elements nor shall anything be stored in, on, under or above the Common Elements (except in areas designed for such purpose) without the prior written consent of the Board except as hereinafter expressly provided. Owners shall be obligated to maintain and keep in good order and repair their respective Units.

3. Prohibited Use. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance without the prior written consent of the Board. Owners shall not permit anything to be done or kept in their respective Units or in the Common Elements which will result in the cancellation of insurance or which would be in violation of any law. No waste shall be committed on the Common Elements.

4. Owner's Insurance. Owners shall be individually responsible for insuring their personal property in their respective Units, their personal property stored elsewhere on the Property and their personal liability insurance to the extent not covered by the liability insurance for all the Owners obtained by the Board as hereinabove provided.

5. Exterior Surfaces. Owners shall not cause or permit anything to be placed on outside walls, doors and windows of the Building, and no sign, awning, canopy, shutter, air conditioning unit, radio or television antenna shall be affixed to or placed in, through or upon the exterior walls, doors, windows or roof or any part thereof, without the prior consent of the Board. No fencing or patios shall be built adjoining any Unit except those built by Declarant. No basketball backboards or free standing basketball poles or apparatus of any kind shall be constructed or permitted, even if a portable kind.

6. Pets. No animals of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that

up to two (2) dogs, cats or other usual household pets may be kept in Units, subject to rules and regulations adopted by the Board; provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet kept in violation of rules and regulations adopted by the Board or causing or creating a nuisance or unreasonable disturbance (after causing more than one (1) violation) shall be permanently removed from the Property upon three (3) days' written notice from the Board.

7. Nuisances. No noxious or offensive activity shall be conducted in any Unit or in the Common Elements, nor shall anything be done thereon, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or Occupants.

8. Structural Integrity. Nothing shall be done in any Unit or in, on, or to the Common Elements which will impair the structural integrity of a Building or the Common Elements, or which would structurally change them except as is otherwise provided herein.

9. Unsightliness. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of litter, rubbish, debris and other unsightly materials which must be kept in receptacles provided for such purposes.

10. Commercial Activity. No industry, business, trade occupation or profession of any kind, commercial, religious, educational or otherwise, designated for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted in any Unit. This prohibition shall also apply to the Common Elements unless permission from the Board is obtained.

11. "For Sale" and "For Rent" Signs. No "For Sale" or "For Rent" signs, advertising or other displays shall be maintained or permitted on any part of the Property except for those signs advertising an open house which shall be permitted for a 24-hour period. Notwithstanding the foregoing, the right is reserved by the Developer or its

agents to place and maintain on the Common Elements or any Unit it owns, as long as Development is engaged in sales or leasing activities in connection with the Property, sales models, a sales or leasing office, advertising signs or banners and lighting in connection therewith, at such locations and in such forms as the Developer shall determine.

12. Board Consent. Nothing shall be altered or constructed in or removed from the Common Elements, except upon written consent of the Board.

13. Developer Rights. Notwithstanding any provision hereof to the contrary, at all times and from time to time prior to the sale of the last Unit in the Property, the Developer, the Declarant, beneficiaries of Declarant, their agents, successors and assigns, hereby reserve the right: (a) to lease or sell such Units as the Developer shall determine; (b) to erect and maintain on the Property all advertising signs, banners, lighting and other sales devices for the purpose of aiding the sale or leasing of the Units in the Property; (c) to maintain sales and business offices on the Property to facilitate the sale or leasing of Units therein; and (d) to utilize the Common Elements for ingress and egress in connection with the sale and leasing of Units in the Property, an easement being hereby granted to Developer for said purposes.

14. Exceptions. The Unit restrictions in Paragraphs 1 and 10 of this Article shall not, however, be construed in such a manner as to prohibit an Owner from: (a) maintaining a personal professional library therein; (b) keeping personal business or professional records or accounts therein; or (c) handling personal business or professional business calls or correspondence therefrom, or inviting personal business or professional clients therein, so long as the Unit is not advertised to the general public in any manner as a business establishment. Such uses are expressly declared customarily incident to the principal use for residential purpose and not in violation of Paragraphs 1 and 10 of this Article.

15. Obstructions. There shall be no obstructions of any stairs or hallways, if any, entrances, exits or other portions of the Common Elements nor shall ready access

thereto be obstructed or impeded in any manner. Every Owner, Occupant and other person shall be responsible for his personal property in any storage areas and in other portions of the Common Elements such as the Outlots. Neither the Board nor the Association shall be considered the bailee of any such personal property, nor shall either be responsible for any loss or damage thereto, whether or not due to negligence of the Board and/or the Association.

16. Leases. Any lease or rental agreement relating to a Unit must be in writing and shall be subject to all the terms, conditions and requirements of the Declaration, By-Laws and rules and regulations of the Association. No Unit may be leased or rented for a period less than thirty (30) days. The Owner shall provide a copy of the lease or rental agreement to the Board within ten (10) days after its execution or the date of occupancy, whichever occurs first. If the lease is oral, a memorandum of lease shall be provided according to the same time restrictions. The Association is hereby expressly deemed to be a third party beneficiary of any such lease; and any violation of the Declaration, By-Laws or rules and regulations shall be deemed a default under such lease entitling the Association to exercise any and all remedies under the lease or available at law or equity, regardless of the Owner's action or inaction in response to such default.

17. Required Carpeting and Sound Absorbent Materials. Each Unit Owner of a Unit shall be required to keep all floor areas of each Unit covered with wall to wall carpeting, including separate padding beneath said carpeting, except for the first floor of the kitchen, utility room and bathroom(s). As to washing machines, dryers, trash compactors or similar appliances or devices which may vibrate or cause noise, the Unit Owner housing said appliance shall install sound absorbent material, insulation or devices to reduce the transmission of sound.

18. Rules and Regulations. The Association by the Board or its various committees shall have the right to establish rules and regulations concerning the use of the Common Elements.

ARTICLE VI

Damage or Destruction and Restoration of Buildings

1. Insurance.

a. Sufficient Insurance. In the event the improvements forming a part of the Property, or any portion thereof, including any Unit, shall suffer damage or destruction from any cause, the proceeds of any policy or policies insuring against such loss, or damage, and payable by reason thereof, shall be sufficient to pay the cost of repair or restoration or reconstruction and shall be undertaken and the insurance proceeds which shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event, within thirty (30) days after said damage or destruction, the Unit Owners elect either to sell the Property as hereinafter provided in Article VII or to withdraw the Property from the provisions of this Declaration and from the provisions of the Act, as therein provided, then such repairs, restoration or reconstructions shall not be undertaken. In the event such repair, restoration or reconstruction is not undertaken, the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all Owners according to each Owner's percentage of ownership in the Common Elements as set forth in Exhibit "C", after first paying out of the share of each Owner the amount of any unpaid liens on that Owner's Unit, in the order of the priority of such liens. This Paragraph shall not apply to the application of any proceeds of any policy or policies insuring against the loss of or damage to the contents of a Unit, which policy or policies were maintained by the Owners of the Unit.

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

2. Repair, Restoration or Reconstruction. Repair, restoration or reconstruction of the improvements, as used in this Article, means restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before. Except to the extent otherwise provided by the Condominium Property Act, the By-Laws, Paragraphs 1 and 2 of this Article VI, and Paragraph 5 of Article X of the Declaration, the Association shall not use hazard insurance proceeds for other than repair, replacement or reconstruction purposes, unless Owners (other than the Declarant) having two-thirds (2/3) or more of the total votes in the Association give their prior written consent thereto and fifty-one (51%) percent of all First Mortgagees.

ARTICLE VII

SALE OF THE PROPERTY

The owners by affirmative vote of the Owners having three-fourths (3/4) or more of the total votes, at a meeting duly called for such purpose, may elect to sell the Property as a whole. Within ten (10) days after the date of the meeting at which such sale is approved, the Board shall give written notice of such action to the holder of any duly recorded first mortgage or trust deed against any Unit Ownership entitled to notice under Article X hereof. Such action shall be binding upon all Owners, and it shall thereupon become the duty of every Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect such sale; provided, however, that any Owner who did not vote in favor of such action and who files written objection thereto with the Board within twenty (20) days after the date of the meeting at which such sale is approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the fair market value of such Owner's interest, as determined by a fair appraisal, less the amount of any unpaid assessments or charges due and owing from such Owner. In the absence of agreement on an appraiser, such Owner and the Board may each select an appraiser, and the two (2) so selected shall select a third. The Owner shall bear the cost of his appointed appraiser and one-half (1/2) of the

cost of the third appraiser; the cost of the Board-appointed appraiser and one-half (1/2) of the cost of the third appraiser shall be a Common Expense. The fair market value shall be determined by a majority of the three appraisers so selected. If either party shall fail to select an appraiser, then the one designated by the other party shall make the appraisal.

ARTICLE VIII
Remedies for Breach of Covenants,
Restrictions and Regulations

1. Abatement and Enjoinment. The violation of any restriction, condition or regulation adopted by the Board, or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to the rights as set forth in the next succeeding paragraph:

a. To enter upon the Property upon which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof and Declarant, Developer, or their successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass or conversion of or damage to Property; or

b. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

All expenses of the Board in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidation or otherwise, together with interest thereon at the maximum legal rate until paid, shall be charged to and assessed against the defaulting Owner and shall be added to and be deemed part of his respective share of the Common Expenses, and the Board shall have a lien for all of the same upon the Unit Ownership of such defaulting Owner and upon all of his additions and improvements thereto. All said rights and remedies are cumulative and may be exercised at any time and from time to time by the Board.

2. Involuntary Sale. If any Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate any of the covenants, restrictions or provisions of his Declaration or the regulations adopted by the Board, and such violation shall continue for ten (10) days after notice is sent in writing from the Board to said Owner, or shall occur repeatedly during any ten (10) day period after written notice or request to cure such violation from the Board is sent to said Owner, then the Board shall have the power to issue and to serve upon the defaulting Owner notice in writing from the Board, allowing the Board or its agents the right to possession of said Unit and denying the Owner the right to continue as an Owner and to continue to occupy, use or control his Unit and the Common Elements; if said violation shall continue for seven (7) days after said notice is given an action in equity may be filed by the members of the Board against the defaulting Owner for a decree of mandatory injunction against the Owner or Occupant or, in the alternative, a decree declaring the termination of the defaulting Owner's right to occupy, use or control the Unit and/or the Common Elements owned by him on account of the breach of covenant, and ordering that all the right, title and interest of the Owner in the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall establish. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit Ownership and to immediate possession of the Unit sold and may apply to the court for writ of assistance for the purpose of acquiring such possession. It shall be a condition of any such sale, and the decree shall so provide that the purchaser shall take the interest in the Property sold subject to this Declaration and the purchaser shall become a member of the Association in the place and stead of the defaulting Owner.

ARTICLE IX

ANNEXING ADDITIONAL PROPERTY

1. In General. Declarant hereby reserves the right from time to time, prior to seven (7) years from the date of recording of this Declaration, to add portions of the Development Area legally described in Exhibit "E", appended hereto and made a part hereof, to the Property and submit such portions to this Declaration and the By-Laws by recording an Amendment to this Declaration, as hereinafter provided. For the purposes of this Article, any portion of the Development Area which is made subject to the Declaration and By-Laws by an Amendment to the Declaration shall be referred to as "Added Property", and any Unit from a Building in the Added Property shall be referred to as "Added Unit". In making Added Property part of the Property, the following shall apply:

(a) The development plan may be changed by the Developer at any time or from time to time without notice, and the Developer may amend or supersede the Declaration to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities. Such change will occur by recording an Amendment.

(b) Added Property may be made part of the Property at different times; there is no limitation on the order in which Added Property may be made part of the Property; and no particular portion of Development Area must be made part of the Property;

(c) The approval of any of the Unit Owners, including their mortgage holders (First Mortgagees), if any, to future condominium Amendments for said additional parcels shall not be required and said Unit Owners may not prohibit such adding on of said additional Property.

2. **Reservation of Right to Annex Additional Property.** Declarant hereby reserves the right and option at any time and from time to time, within a period of seven (7) years after the date the recording of this Declaration in the Office of the Recorder of Deeds, Lake County, Illinois. to add-on and annex to the Property, all or any portion of the Development Area, and in connection therewith to reallocate percentage interests in the Common Elements as hereinafter described, by recording an Amendment or Amendments to this Declaration executed solely by Developer (each such instrument being hereinafter referred to as "Amendment to Condominium Declaration") which shall set forth the legal description of the additional parcel or parcels within the Development Area to be annexed to the Property and which shall otherwise be in compliance with the requirements of the Act. Upon the recording of each such Amendment to the Condominium Declaration, the Additional parcel or parcels therein described shall be deemed submitted to the Act and governed in all respects by the provisions of the condominium instruments and shall thereupon become part of the Property. No portion or portions of the Development Area shall be subject to any of the provisions of the condominium instruments unless and until an Amendment to Condominium Declaration is recorded annexing such portion or portions to the Property as aforesaid. The Unit Owners shall have no rights whatsoever in or to any portion of the Development Area unless and until an Amendment to Condominium Declaration is recorded annexing such portion to the Property as aforesaid. Upon the expiration of said Seven (7) year period, no portions of the Development Area which have not theretofore been made part of or annexed to the Property shall thereafter be annexed to the Property. No portion or portions of the Development Area must be added to the Property by Developer. Portions of the Development Area may be added to the Property at different times within such seven (7) year period. Except as may be required by applicable laws and ordinances, there shall be no limitations:

- (a) On the order in which portions of the Development Area may be added to the Parcel;
- (b) Fixing the boundaries of these portions; or

(c) On the location of improvements which may be made on the Development Area. Structures, improvements, Buildings and Units to be constructed on portions of the Development Area which are added to the Property need not (except to the extent required by applicable laws and ordinances) be compatible with the configuration of the Property in relation to density, use, construction and architectural style.

Subject to any limitation imposed by applicable laws and ordinances, the maximum number of Units which will be created on the entire Property shall be Eight-Six (86) Units and the maximum number of residential Buildings which may be made a part of the Property in total shall be Eleven (11). In all cases in which the Developer exercises the option to add part of the Development Area to the Property, the contracts for the construction and delivery of such part of the Development Area shall contain a date for the completion and delivery of such part of the Development Area to be constructed.

Each Amendment to Condominium Declaration shall include:

(a) An Amendment to the legal description on Exhibit "A" of this Declaration which shall add to the legal description of the Parcel that portion or portions of the Development Area annexed to the Property;

(b) An Amendment to the Plat (Exhibit "B" attached hereto) which shall show the boundaries of the portion or portions of the Development Area annexed to the Parcel, and delineating and describing the Units constructed or to be constructed on the portions of the annexed Development Area;

(c) An Amendment to Exhibit "C" attached hereto which shall set forth the amended percentages of ownership interest in the Common Elements, including the Common Elements attributable to those portions of the Development Area annexed to the Property; allocable to each Unit, including all existing Units and additional Units added by such Amendment to the Condominium Declaration; and

(d) An Amendment to Exhibit "E" attached hereto which shall subtract from the legal description of the Development Area those portions of the Development Area annexed to the Property by such Amendment to the Condominium Declaration

The percentages of ownership interest in the Common Elements allocable to each Unit, as amended by each Amendment to the Condominium Declaration, shall be determined as follows:

(a) The Common Elements, as amended by such Amendment to the Condominium Declaration, shall be deemed to consist of the Common Elements as existing immediately prior to the recording of such Amendment to Condominium Declaration (the "Existing Common Elements") and the Common Elements added by such Amendment to the Condominium Declaration (the "Added Common Elements");

(b) The Units, as amended by such Amendment to the Condominium Declaration, shall be deemed to consist of the Units as existing immediately prior to the recording of such Amendment to Condominium Declaration (the "Existing Units") and the Units added by such Amendment to Condominium Declaration (the "Added Units");

(c) The value of each of the Added Units (which value shall be determined by Developer) shall be added to the value of each of the Existing Units (which value shall be determined by Developer) and the total of all such values shall be deemed to be the new value of the Units as a whole. Each of such values shall be determined by Developer as of the date of recording each Amendment to Condominium Declaration and each of such values determined by Developer shall be unconditionally binding and conclusive for all purposes notwithstanding the sale price of any Unit or Units;

(d) The percentage of ownership interest in the entire Common Elements (both the Existing Common Elements and the Added Common Elements) to be allocated to each of the Units (both the Existing Units and the Added Units) shall be computed by dividing the value of such Unit (as determined by Developer as described in the preceding subparagraph c) by the value of the Units as a whole (as determined by Developer as described in the preceding subparagraph c);

(e) The Existing Units shall be entitled to their respective percentages of ownership interest in the Common Elements as set forth in such Amendment to the Condominium Declaration, in the Added Common Elements and in the Existing Common Elements;

(f) The Added Units shall be entitled to their respective percentages of ownership interest in the Common Elements as set forth in such Amendment to Condominium Declaration, in the Added Common Elements and in the Existing Common Elements;

(g) All of the provisions of the condominium instruments, as amended by each successive Amendment to Condominium Declaration, shall be deemed to apply to all of the Units (both the Added Units and the Existing Units) and to all of the Common Elements (both the Added Common Elements and the Existing Common Elements); and

(h) The recording of an Amendment to the Condominium Declaration shall not alter or affect the amount of any lien for Common Expenses due from the Unit Owner of any Existing Unit prior to such recording, to the respective amounts theretofore assessed to or due from Unit Owners of Existing Units for Common Expenses or other assessments.

3. Existing Mortgages. Upon recording of each Amendment to Condominium Declaration, the lien of each mortgage encumbering an Existing Unit, together with its appurtenant percentage of ownership interest in the Existing Common Elements, shall automatically be deemed to be adjusted and amended to encumber such Unit and the respective percentage of ownership interest in the Common Elements for such Existing Unit as set forth in such Amendment to Condominium Declaration, and the lien of such mortgage shall automatically attach to such percentage interest in the Added Common Elements.

4. Binding Effect. Each Unit Owner and each mortgagee, grantee, heir, administrator, executor, legal representative, successor and assign of such Unit Owner, by such person's or entity's acceptance of any deed or mortgage or other interest in or with respect to any Unit Ownership shall be deemed to have expressly agreed and consented to:

(a) Each and all of the provisions of this Article IX;

(b) The recording of each Amendment to the Condominium Declaration which may amend and adjust such person's or entity's respective Common Elements and the Added Common Elements, including the Existing Common Elements and the Added Common Elements from time to time as provided in this Article IX; and

(c) All of the provisions of each Amendment to the Condominium Declaration which may hereafter be recorded in accordance with the provisions of this Article IX.

The acceptance by any of such persons or entities of any deed, mortgage or other instrument with respect to any Unit Ownership shall, in addition to the foregoing, be deemed to constitute a consent and agreement to and acceptance and confirmation by such person or entity of each of the following provisions as though fully set forth in such deed, mortgage or other instrument:

(i) The percentage of ownership interest in the Common Elements appurtenant to such Unit shall automatically be deemed reconveyed effective upon the recording of each Amendment to the Condominium Declaration and reallocated among the respective Unit Owners in accordance with the amended and adjusted percentages set forth in each such Amendment to Condominium Declaration;

(ii) Such deed, mortgage or other instrument shall be deemed given upon a conditional limitation to the effect that the percentage of ownership interest in the Common Elements appurtenant to such Unit shall be deemed divested pro tanto upon the recording of each such Amendment and revested and reallocated with the amended and adjusted percentages set forth in each such Amendment;

(iii) To the extent required for the purposes of so amending and adjusting such percentages of ownership interest in the Common Elements as aforesaid, a right of revocation shall be deemed reserved by the Grantor of such deed, mortgage or other instrument with respect to such percentage of ownership interest in the Common Elements granted therein;

(iv) Such adjustments in the percentages of ownership interest in the Common Elements, as set forth in each such Amendment, shall be deemed to be made by agreement of all Unit Owners and other Persons having any interest in the Property, and shall also be deemed to be an agreement of all Unit Owners and such other Persons to such changes within the contemplation of the act; and

(v) Each Unit Owner, by acceptance of the deed conveying his Unit Ownership, agrees for himself and all those claiming under him, including mortgagees, that the condominium instruments and each Amendment to the Condominium Declaration is and shall be deemed to be in accordance with the Act.

ARTICLE X

RIGHTS OF FIRST MORTGAGEES

In addition to all other right of First Mortgagees pursuant to this Declaration, and notwithstanding any other provisions herein to the contrary:

1. Unless at least fifty-one percent (51%) of the First Mortgagees (based upon one vote for each first mortgage owned) of individual Units have given their prior written approval, the Association shall not be entitled to:

(a). By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association for the benefit of the Units and the Owners. The granting of easements for public utilities or for other purposes consistent with the intended use of such property by the Association shall not, for purposes of the foregoing, be deemed to be a transfer

(b) Change the method of determining the obligations, assessments, dues, reserves or maintenance, repair and replacement of Common Elements, or other charges which may be levied against a Unit and the Owner thereof as provided in the By-Laws.

(c) By act or omission, waive, abandon or materially change any scheme or regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of any Dwelling Unit, the exterior maintenance of any such Dwelling Unit, the maintenance or the upkeep of the Property.

(d) Fail to maintain fire and extended coverage insurance on the insurable improvements to the Common Elements in an amount not less than one hundred percent (100%) of the full insurable replacement cost.

(e) Use hazard insurance proceeds for losses to any improvements to the Common Elements for other than the repair, replacement or reconstruction of such improvements in substantial conformity with the original plans and specifications and this Declaration.

(f) Change the responsibility for maintenance and repairs of the Common Elements and/or Lots thereof as provided in Article IV.

(g) Change to self-management when professional management had been required previously by any governmental or quasi governmental agency.

(h) Change the interest in the Common Elements or Limited Common Elements or right to their use, whether as a result of partial condemnation, destruction or otherwise.

(i) Change the boundaries of any Unit.

(j) Change the voting rights of any member of the Association.

(k) Impose any restrictions on a Unit Owner's right to sell or transfer his or her Unit.

(l) By act or omission, seek to terminate the legal status of the Association after substantial destruction or condemnation.

(m) Change the insurance requirements or fidelity bond requirements stated herein.

(n) Change any provisions herein as to leasing of Units.

(o) Change any provisions herein covering the conversion of Units into Common Elements or Common Elements into Units.

Approval of the amendments in this paragraph by First Mortgagees may be implied when a First Mortgagee fails to submit a written response to any written proposal for an amendment within thirty (30) days after it receives notice of said proposal, if the notice was delivered by certified or registered mail, with a "return receipt" requested.

2. First Mortgagees shall have the right to examine the books and records of the Association at reasonable times during normal business hours.

3. First Mortgagees may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the Common Elements and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Elements and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

4. Any First Mortgagee, at its written request, shall be entitled to written notice from the Board of any default by the mortgagor of such Unit in the performance of such mortgagor's obligations hereunder or under the By-Laws or rules and regulations of the Association which is not cured within thirty (30) days.

5. First Mortgagees are entitled to timely written notice if requested in writing of:

(a) Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage;

(b) Any sixty (60) day delinquency in the payment of the assessments or charges owed by the Owner of any Unit on which it holds the mortgage;

(c) A lapse; cancellation or material modification of any insurance policy or fidelity bond maintained by the Owner's Association;

(d) Any proposed action that requires the consent of a specified percentage of legible mortgage holders;

(e) Changes in the boundaries of any Unit or the exclusive easement rights appurtenant thereto;

(f) The interests in the Common Elements or Limited Common Elements pertaining to any Unit or the liability for Common Expenses pertaining to any Unit;

(g) The number of votes in the Association pertaining to any Unit, or the purposes to which any Unit or the Common Elements are restricted; and

(h) Any proposed termination of the condominium;

The request must include the Owner's Association, stating both its name and address and the Unit address of the Unit it has a mortgage on.

6. This Article X may be amended only with the written consent of seventy-five percent (75%) of the First Mortgagees (based upon one vote for each first mortgage owned).

7. All Unit owners shall furnish the Board with the identity and mailing address of any lender of a Unit within fifteen (15) days of the recording of a mortgage against said Unit.

ARTICLE XI

DEVELOPER'S RESERVED RIGHTS

1. In General. In addition to any rights or powers reserved or granted to the Developer under the Act, this Declaration or the By-Laws, the Developer shall have the rights and powers set forth in this Article. In the event of a conflict between the provisions of this Article and any other provisions of this Declaration or the By-Laws,

the provisions of this Article shall govern. Except as otherwise provided in this Article, Developer's rights under this Article shall terminate at such time as the Developer is no longer vested with or controls title to a portion of any Dwelling Unit.

2. Promotion Efforts. Developer or its assignee shall have the right, in its discretion, to maintain on the Parcel model Dwelling Units, sales and leasing offices, displays, signs and other forms of advertising and, to the extent not prohibited by law, to come upon any portion of the Condominium Property for the purpose of showing the Condominium Property to prospective purchasers or lessees of Dwelling Units, all without the payment of any fee or charge whatsoever. The Developer or Trustee shall have the right and power to sell or lease a Dwelling Unit to whomever it chooses on whatever terms it, in its sole discretion, shall deem appropriate.

3. Construction. Developer, its agents and contractors shall have the right to come upon the Condominium Property for the purpose of making alterations or improvements to the Condominium Property and shall have the right to store equipment and materials used in connection with such work on the Condominium Property without payment of any fee or charge whatsoever.

4. Control of the Board. Until the initial meeting of the Owners and the election of the initial Board as provided for in the By-Laws, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board by the Act, this Declaration or the By-Laws shall be held and performed by the Developer. The Developer may hold and perform such rights and obligations through the Board which, prior to the initial meeting, shall consist of three individuals designated by the Developer from time to time. If the initial Board of Directors is not elected by the Owners at the time so established, the Developer or Directors designated by the Developer shall continue in office for a period of thirty (30) days whereupon written notice of resignation shall be sent to all Unit Owners entitled to vote at such election. Within sixty (60) days following the initial meeting of the Owners the Developer shall turn over all documents to the new Board as required by Section 18.2(d) of the Act.

5. Dedication Rights Reserved. Developer hereby reserves the right at its sole discretion to dedicate or otherwise convey portions of the Parcel (but not those portions on which a Building is situated) to any public agency or governmental authority or quasi-public utility for purposes of utilities, and right-of-way and easements therefor. Such right to make such dedications or conveyances shall not require the consent, approval or signatures of either the Board or any Unit Owner, and such dedication or conveyance shall be considered fully accomplished and conclusively binding upon each of said Unit Owners and upon the Association when set forth in writing or in a Plat of Dedication executed by the Developer which has been recorded in the Office of the Recorder of Deeds of Lake County, Illinois, provided, however, that nothing in this paragraph shall be construed to in any manner require or obligate Developer to make any such conveyance or dedication.

In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby granted to the Developer, as agent and attorney-in-fact to make such dedications of conveyances. Each deed, mortgage, trust deed or other instrument with respect to a Unit and the acceptance thereof shall be deemed a grant and acknowledgment of and consent to such power to said attorney-in-fact and shall be deemed to reserve to it the foregoing powers and rights. This right shall expire upon the sale of all the Units.

ARTICLE XII

GENERAL PROVISIONS

1. Provisions of the Declarant and Developer. Until such time as the Board of Managers provided for in this Declaration is formed, pursuant to the By-Laws as hereinafter set forth and until such time thereafter as Declarant shall have consummated the sale and conveyance of Units aggregating seventy-five percent (75%) of the then Units computed as set forth in Exhibit "C" attached hereto, including any amendments to Exhibit "C" by reason of the provisions of Article IX, Declarant (or its nominee, its designee or beneficiary) shall exercise the powers, rights, duties and functions of the Board of Managers and

Association, including the right to determine annual and special assessments and to collect same from the Unit Owners (as herein provided) and further including the right to enter into contracts with a managing agent for the Property, provided; however, that the term of said contract shall not exceed one (1) year.

2. Declarant and Developer's Successors and Assigns.

All rights granted to Declarant under this Declaration shall inure to and all obligations of Declarant under this Declaration shall be binding upon the successors and assigns of Declarant; provided, however, that the Unit owners purchasing individual Units for their own occupancy, shall not be deemed to be successors or assigns of Declarant.

3. Enforcement.

In addition to all other rights herein granted to the Association, the Association may enforce the provisions of this Declaration and the Articles of Incorporation, By-Laws and rules and regulations of the Association by any proceeding in law or in equity against any person or persons violating or attempting to violate any such provisions. All rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, and failure of the Association to enforce any such provisions shall in no way be deemed a waiver of the right to do so thereafter. All expenses incurred by the Association in connection with any proceedings, including court costs and attorneys' fees, together with interest thereon at ten percent (10%) per annum, shall be charged to and assessed against any Owner violating any such provisions and shall be added to and deemed a part of his assessment and constitute a lien on his Unit and enforceable as provided in Article VIII. If any Owner, or his occupants or guests, violates any provision of this Declaration, the Articles of Incorporation, the By-Laws of the rules and regulations of the Association, the Board may, after affording the Owner an opportunity to be heard, levy a reasonable fine against such Owner, and such fine shall be added to and deemed a part of his assessment and constitute a lien on his Unit and be enforceable as provided in Article VIII.

4. Rights of The Townships of Antioch.

(a) The Property shall at all times conform to and be maintained in accordance with any Ordinance and Development Plan approved by the County or Township and as amended from time to time.

(b) All maintenance, repairs and replacements of the Common Elements shall be made in accordance with the provision of this Declaration and the applicable requirements of the Township and County.

(c) The County and Township shall have the right to enter upon the Property for the purposes of furnishing municipal or emergency services to the Unit Owners or the Common Elements, to enforce all easement provisions as per the Plat of Subdivision and to enforce its traffic and other ordinances and regulations including the provisions of subparagraphs 3(c) and 3(d) hereof.

(d) The Township and County are hereby authorized to provide necessary maintenance of site improvements within or upon any guest parking areas and landscaped areas constituting a portion of the Common Elements, also including without limitation, all municipally owned utilities, any detention areas, street lights, traffic signs and related equipment.

(e) In the event that the Township or County should elect to furnish services pursuant to the preceding subparagraph, which services were in fact the obligation of the Condominium Association to so provide and the Condominium Association has failed or refused to so provide, then the Association shall be obligated to repay to the above-mentioned parties for all expenses incurred in connection with said maintenance, including reasonable attorneys' fees, if any, incurred by the above parties in enforcing the rights herein established. The Township and County shall have the right, in the furtherance of its enforcement of its claim for reimbursement to record a lien against the Common Elements which said lien shall be effective as of the date of recordation. All such costs and expenses are hereby declared to be a Common Expense of the Association.

(f) Notwithstanding any other provisions of this Declaration, the provisions of this Paragraph may not be altered, amended, or deleted without the written consent of the Township of Antioch and County of Lake.

5. Insurance Proceeds. In the event of (a) any distribution of any insurance proceeds hereunder as a result of substantial damage to, or destruction of, any part of the Property or (b) any distribution of the proceeds of any award of settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Property, any such distribution shall be made to the Owners and their respective First Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the First Mortgagee of a Unit with respect to any such distribution to or with respect to such Unit; provided that nothing in this Paragraph shall be construed to deny to the Association the right to apply any such proceeds to repair or replace damaged portions of the Property or to restore what remains of the Property after condemnation or taking by eminent domain of a part of the Property. The Association shall represent all Owners in any condemnation proceedings and negotiations.

6. Special Amendment. Declarant and Developer reserve the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (a) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Units, (c) to bring this Declaration into compliance with the Act, or (d) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby reserved and granted to the Declarant and Developer, severally, to vote in favor of, make, consent to, execute

and record a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of Declarant and Developer's authority to execute and record Special Amendments. The right of the Declaration and Developer to act pursuant to rights reserved or granted under this Paragraph shall terminate five (5) years from such time as the Declarant and Developer no longer holds or controls title to a Unit.

7. Waiver of Claims. The Antioch Golf Club course ("golf course") is designed such that certain portions of the course are adjacent to the property being sold to a unit owner. Each unit owner waives any claims he may have for damage to himself or the property or his personal property as a result of the activities conducted on the golf course, including without limitation being struck by a golf ball and hereby indemnifies and holds the Seller, the Antioch Golf Club and Antioch Golf Venture and the Antioch Golf Venture L. L. C., and their successors and assigns, harmless from any loss arising out of death, injury or damage to the person or property of the Owner or the members of his family, his tenants, guests, invitees or contract purchasers who reside on the Property, as a result of the activities conducted on the golf course, including without limitation being struck by a golf ball.

Each Owner hereby waives and releases any and all claims which such Owner may have against any other Owner, Occupant, the Association, its officers, members of the Board, the Declarant and its beneficiaries, the Developer, the managing agent, if any, and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance. Neither Declarant nor its respective representatives or designees shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authority granted to or delegated to it by or pursuant to this Declaration, or in Declarant's capacity as developer, contractor, owner, manager or seller of the Property, nor shall Developer, whether or not such claim:

a. Shall be asserted by an Owner, Occupant, the Board or the Association, or by any person or entity claiming through any of them;

b. Shall be on account of injury to person or damage to or loss of property wherever located and however caused; or

c. Shall arise ex contract or (except in case of gross negligence) ex delictu.

Without limiting the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the Property or any part thereof being or becoming out of repair or containing any patent or latent defects, or by reason of any act or neglect of any Owner, Occupant, the Board, the Association and their respective agents, employees, guests and invitees or by reason of any neighboring property or personal property located on or about the Property, or by reason of the failure to function, or disrepair of, any utility services (heat, air conditioning, electricity, gas, water, sewage, etc.).

8. Damages. Each Owner shall be responsible for any damages to the Common Elements or to any Unit or Units and also for the maintenance, repairs or replacements caused by or resulting from his negligent act or omission, or the negligent act or omission of a member of his family, his household pet, his guests, visitors or his invitees or of an Occupant of his Unit, including the household pets, guests, visitors or invitees of an Occupant of his Unit.

9. Notices. Notices provided for in this Declaration and in the Condominium Property Act shall be in writing, and shall be addressed to the Board or Association, or any Owner, as the case may be, at the address of the Unit, or at such other address as herein provided. The president of the Association is hereby designated as the person to mail and receive all notices as provided for in the Condominium property Act and in his Declaration; provided, however, that the Board may designate a different address for notices to the Board or the Association by giving written notice of such change of address to all Owners. Any Owner may also designate a different address for notices by giving written notice of such change of address for notices by giving

written notice of such change of address to the Board. Notices to Unit Owners shall be deemed delivered when mailed by United States mail, or when delivered in person, or, if addressed to an Owner, when deposited at the door of the Owner's Unit or in his mailbox. Notices to the Board or to the Association shall be deemed delivered when mailed by United States registered mail to the Board or Association.

10. Notices to Deceased Owner. Notices required to be given any devisee, heir or personal representative of a deceased Owner may be delivered either personally or by mail to such party at the address appearing in the records of the Court wherein the estate of such deceased Owner is being administered.

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

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

13. Amendment. Except as provided in Section 27(b) of the Condominium Property Act or any other portions thereof, or in Article X of this Declaration, the provisions of Article II, Paragraphs 1 and 2 of Article III, Paragraph 7 of Article VIII and this Paragraph 13 of this Article

may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, and signed and acknowledged by the President and Secretary of the Board, all of the Owners and all First Mortgagees. Other provisions of this Declaration excepting those affected by Paragraph 6 of this Article, may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the President and Secretary of the Board, and certifying that the Owners having at least two-thirds (2/3) of the total votes have approved such amendment at a meeting of the Association duly called for such purpose and containing an affidavit by an officer of the Board certifying that copy of the change, modification or rescission has been mailed by certified mail to all First Mortgagees, no less than ten (10) days prior to the date of such affidavit. If a First Mortgagee does not respond within thirty (30) days, its response is deemed waived, however, the consent of sixty-seven (67%) percent of all First Mortgagees shall be obtained in order to terminate the condominium. No amendment to this Declaration shall affect the rights of the applicable County or Township without its consent. Any change, modification or rescission shall be effective upon recording of such instrument in the Office of the Recorder of Deeds, Lake County, Illinois.

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

15. Perpetuities and Other Invalidity. If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (as) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits with respect to real property or interests therein, then such options, privileges, covenants and rights shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the incumbent Governor of the State of Illinois and of the incumbent President of the United States of America.

16. Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class condominium complex.

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

18. Lease. The provisions of the Condominium Property Act, the Declaration, By-Laws, other condominium instruments, and rules and regulations that relate to the use of the Units of the Common Elements shall be applicable to any person leasing a Unit and shall be deemed to be incorporated in any lease of any unit.

19. Conflict. In the event of a conflict between any provision of this Declaration and any provision of the Condominium Property Act, as amended, the provision of the Condominium Property Act shall prevail.

20. Trustee Exculpation. If this Declaration is executed by Declarant as Trustee and not individually, in the exercise of any power and authority conferred upon and vested in it as such Trustee, then Declarant will warrant that it possesses full power and authority to execute this instrument. It is expressly understood and agreed by every Person hereafter claiming any interest under this Declaration that Declarant, if it acts as Trustee as aforesaid and not personally, has joined in the execution of

this Declaration for the sole purpose of subjecting the title-holding interest and the trust estate described herein to the terms of this Declaration; that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against the Declarant or any of the beneficiaries under such Trust Agreement on account of this Declaration or on account of any representation, obligation, duty, covenant or agreement of Declarant in this instrument contained either express or implied, all such personal liability, if any, being expressly waived and released; and further, that no duty shall rest upon Declarant, either personally or as such Trustee, to sequester trust assets, rental, avails or proceeds of any kind, or otherwise to see to the fulfillment of discharge of any obligation, express or implied, arising under the terms of this Declaration, except where Declarant is acting pursuant to direction as provided by the terms of such Trust Agreement and after the Declarant has first been supplied with funds required for this purpose. In the event of conflict between the terms of this Paragraph and of the remainder of this Declaration, or in the event of any apparent liability or obligation resting upon Declarant, the exculpatory provision hereof shall be controlling.

IN WITNESS WHEREOF, said Declarant as aforesaid has caused its seal to be affixed hereunder and has caused its name to be signed by its President and attested to by its Secretary this _____ day of _____, A.D. 1996.

JAY L. COPE

STATE OF ILLINOIS)
) SS.
COUNTY OF KANE)

I, _____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT JAY L. COPE personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, A.D. 1996.

Notary Public

My Commission Expires:

LIST OF EXHIBITS
FOR
DECLARATION OF CONDOMINIUM OWNERSHIP
FOR
FAIRWAY GREENS AT ANTIOCH GOLF CLUB

- EXHIBIT "A" - Property Subject to the Condominium Declaration
- EXHIBIT "B" - Plat of Condominium
- EXHIBIT "C" - List of Units and Percentage Interest in the Common Elements
- EXHIBIT "D" - By-Laws
- EXHIBIT "E" - Legal Description of entire project (Development Area)

EXHIBIT "A"

Property Subject to the Condominium Declaration

EXHIBIT "B"

Plat of Condominium

EXHIBIT "C"

List of Units and Percentage
Interest in the Common Elements

EXHIBIT "D" TO THE
DECLARATION OF CONDOMINIUM OWNERSHIP FOR
FAIRWAY GREENS AT ANTIOCH GOLF CLUB CONDOMINIUMS

an Illinois Not-for-Profit Corporation

ARTICLE I

Name of Corporation

The name of this corporation is FAIRWAY GREENS AT ANTIOCH GOLF CLUB CONDOMINIUMS.

ARTICLE II

Purpose and Powers.

1. Purposes. The purposes of this Association are to act on behalf of its members collectively, as its governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare of the members of the Association, all on a not-for-profit basis. These By-Laws are attached as Exhibit "D" to the Declaration of Condominium Ownership for Fairway Greens at Antioch Golf Club ("Declaration"). All terms used herein shall have the meanings set forth in the Declaration.

2. Powers. The Association shall have and exercise all powers as are now or may hereafter be granted by the General Not-for-Profit Corporation Act of the State of Illinois, the Act, the Declaration and these By-Laws.

3. Personal Application. All present or future Owners, tenants, and their agents and employees, and any other person that might use the facilities of the Condominium Property in any manner, shall be subject to the provisions of the Declaration and these By-Laws. The mere acquisition or rental of a Dwelling Unit or the mere act of occupancy of a Dwelling Unit will signify that the Declaration and these By-Laws are accepted, ratified and will be complied with. In the event of a conflict between these By-Laws and the Declaration, the Declaration shall control.

ARTICLE III

Offices

1. Registered Office. The Association shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Illinois as the Board may from time to time designate.

2. Principal Office. The Association's principal office shall be maintained on the Property and shall be a separate office from the Registered Office as designated by the Board.

ARTICLE IV

Meetings of Members

1. Board of Managers; Association. The direction and administration of the Property shall be vested in a Board of Managers (hereinafter and hereinafter sometimes referred to as "Board"), consisting of seven (7) persons who shall be elected in the manner hereinafter provided. The Board shall consist of three (3) persons until the initial meeting of the Voting Members and shall automatically increase to seven (7) Voting Members at that time. The Unit Owners, as described in the Declaration and these By-Laws, hereinafter mentioned, acting collectively through the board, shall be known as FAIRWAY GREENS AT ANTIOCH GOLF CLUB CONDOMINIUM ASSOCIATION, a not-for-profit corporation organized under the laws of the State of Illinois (herein called the "Association"). The provisions of these Articles shall constitute the initial and basic By-Laws of the Board and/or Association, as referred to in the Act. Each member of the Board shall be one (1) of the Unit Owners; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any director, officer or employee of such corporation, partner of such partnership, individual trustee or beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board. Every Unit Owner, upon becoming an Owner of a Unit or Units, shall be a member of the Association and shall remain a member of said Association until such time as his Ownership ceases, at which time the new Owner thereof shall become a member of the Association. There shall be only one (1) class of membership in the Association. The Association may issue certificates to evidence membership therein.

2. Time for Election of Initial Board of Managers. The initial meeting of the Voting Members shall be held upon not less than twenty-one (21) days written notice given by the Developer, but in any event, the initial meeting of the Voting Members shall be held not later than sixty (60) days after a conveyance by the Developer of seventy-five percent (75%) of the Units or three (3) years after the recording of this Declaration, whichever is earlier; provided, however, the words "seventy-five percent (75%) of the Units" as used in the preceding clause of this sentence shall mean seventy-five percent (75%) of the sum of the Units listed on Exhibit "C" attached hereto, including any amendments to Exhibit "C" by reason of the provisions of Article IX of the Declaration.

3. Administration of Property Prior to Election of Initial Board of Managers. Until the election of the initial Board, the same rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board of Managers by the Act, and in the Declaration and By-Laws, shall be held and performed by the Developer. If the initial Board is not elected by the Unit Owners at the time so established, the Developer shall continue in office for a period of thirty (30) days, whereupon written notice of his resignation shall be sent to all of the Unit Owners entitled to vote at such election.

Within sixty (60) days following the election of a majority of the Board, other than the Developer or its employees or agents, the Developer shall deliver to the Board:

a. All original documents as recorded or filed pertaining to the Property, its administration and the Association, such as the Declaration, By-Laws, Articles of Incorporation, other condominium instruments, annual reports, minutes and code of regulations, reports, contracts, leases or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the Developer, or an officer or agent of the Developer, as being a complete copy of the actual document recorded as filed.

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

c. Association funds which shall have been at all times segregated from any other monies of the Developer.

d. A schedule of all real or personal property, equipment and fixtures, if any, belonging to the Association, including documents transferring the Property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies and all tax bills.

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

f. Any contract, lease or other agreement made prior to the election of a majority of the Board of Managers, other than the Developer, by or on behalf of Unit Owners, individually or collectively, the Unit Owners' Association or the Board of Managers which extends for a period of more than two (2) years from the recording of the Declaration shall be subject to cancellation by more than one-half (1/2) of the votes of the Unit Owners, other than the Developer, cast at a special meeting of members called for that purpose during a period of ninety (90) days following expiration of the two (2) year period. At least sixty (60) days prior to the expiration of the two (2) year period, the Board of Managers or, if the Board is still under Developer control, then the Board of Managers or the Developer shall send notice to every Unit Owner notifying them of this provision, what contracts, leases and other agreements are affected and the procedure for calling a meeting of the Unit Owners for the purpose of voting on termination of such contracts, leases or other agreements. During the ninety (90) day period, the other party to the contract, lease or other agreement shall also have the right of cancellation.

4. Voting Rights of Unit Owners. There shall be only one (1) person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a "Voting Member". Such Voting Member may be the Owner or, if the Unit is owned by more than one (1) Owner, then one (1) of the group composed of all of the Owners of that individual Unit, or may be some person designated by such Unit Owner or Owners, as the case may be, to act as proxy (said proxy bearing the date of its execution) on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by written notice to the Board by the Owner or Owners. If, in the

case of multiple individual Owners of a Unit, no designation is given to the Board, then the Board, at its election, may recognize any individual Owner of the Unit as the Voting Member of such Unit. The total number of votes of all Voting Members, in the aggregate, from time to time, shall be one hundred (100) and each Owner or group of Owners of one (1) Unit (if owned by more than one (1) Owner) shall have a vote equal to the total percentage of ownership in the Common Elements of that Unit as set forth in Exhibit "C", which Exhibit "C" may be amended from time to time by Declarant as provided in the Declaration. The Declarant may exercise the voting rights with respect to any Unit owned by the Declarant.

5. Meetings.

a. Quorum; Procedure. As to members, the presence, in person or by proxy, at any meeting of the Voting Members (without regard to their number) having at least twenty percent (20%) of the total votes, shall constitute a quorum. If a quorum is not present at any meeting, a majority of the members present may adjourn the meeting from time to time. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes present at such meeting. For purposes of election of the Board of Managers, in the event of a resale of a condominium Unit, the purchaser of a Unit from a seller other than the Developer pursuant to an installment contract for purchase, shall, during such times as he or she resides in the Unit, be counted toward a quorum for purposes of election of members of the Board of Managers at any meeting of the Unit Owners called for said purpose and shall have the right to vote for the election of members of the Board of Managers and to be elected to and serve on the Board of Managers unless the seller expressly retains in writing any or all of such rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office or be elected and serve on the Board. Satisfactory evidence of the installment contract shall be made available to the Association or its agents. For purposes of this subparagraph, "installment contract" shall have the same meaning as set forth in Section 1.(e) of "An Act Relating to Installment Contracts to Sell Dwelling Structures", approved August 11, 1967, as amended.

When thirty percent (30%) or fewer of the Units, by number, possess over fifty percent (50%) in the aggregate of the votes in the Association, any percentage vote of members specified 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 which would otherwise be applicable.

b. Annual Meetings of Unit Owners. The first annual meeting of the Voting Members shall be held upon not less than twenty-one (21) days nor more than thirty (30) days prior written notice given by the Declarant. Thereafter, there shall be an annual meeting of the Voting Members on the first Tuesday of March of each succeeding year, at 7:30 o'clock p.m., on the Property, or at such other place, time or date as may be designated by written notice of the Board delivered to the Voting Members not less than twenty-one (21) days nor more than thirty (30) days prior to the date fixed for said meeting. At each annual meeting of Unit Owners, the Voting Members shall, by a majority of the total votes present at such meeting, elect members of the Board of Managers (or after incorporation of said Condominium Association, a Board of Directors).

c. Special Meetings of Unit Owners. Special meetings of the Voting Members may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Voting Members, or for any other reasonable purpose. Said meetings may be called by written notice by the President, Board of Managers or by twenty percent (20%) of the Unit Owners. Said notice shall be given to the Voting Members not less than ten (10) days nor more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

d. Notices of Meetings. Notices of meetings required to be given herein shall be given pursuant to the provisions of Paragraph 9 of Article XII of the Declaration. Said notices shall be given at the times set forth in this Article IV, Paragraph 5, Article V, Paragraph 1 and Article IX, Paragraph 1 of these By-Laws.

e. Order of Business at Meetings of Unit Owners. The order of business at all meetings of the Owners of Units shall be as follows:

- (i) Roll call;
- (ii) Proof of Notice of meeting or waiver of notice;
- (iii) Reading of minutes of preceding meeting;
- (iv) Reports of officers;
- (v) Reports of committees;
- (vi) Election of inspectors of election;

- (vii) Election of Board of Managers;
- (viii) Unfinished business; and
- (ix) New business.

ARTICLE V

Board of Directors

1. Board of Directors (Board of Managers); Officers - Meetings, Voting, Notices.

a. Board Members. As to said Board, there shall be seven (7) members, and four (4) members of said Board shall constitute a quorum. Until the initial meeting of Voting Members, the board shall consist of three (3) members, two (2) of whom shall constitute a quorum. All Board members shall thereafter be elected annually from the unit owners, and the seven (7) candidates receiving the highest number of votes shall be elected. The Association may, upon adoption of the appropriate rules by the Board of Managers, conduct elections by secret ballot whereby the voting ballot is marked only with the percentage interest for the Unit and the vote itself, provided that the Board further adopt rules to verify the status of the Unit owner issuing a proxy or casting a ballot; and further, a candidate for election to the Board, or such candidate's representative, has the right to be present at the counting of the ballots for such election. The Board may disseminate to Unit Owners biographical and background information about candidates for elections to the Board if no preference is expressed in favor of any candidate and reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated. Any proxy distributed for Board elections shall give Unit Owners the opportunity to designate any person as the proxy holder and gives the Unit Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name. All members of the Board shall serve for their terms as hereinabove stated or until their successors are duly elected or appointed and qualified, but members of the Board may succeed themselves, except as provided in subparagraph C as hereinbelow set forth. Vacancies on the Board and for officers may be filled by majority vote of the remaining Board members until the next meeting of Unit Owners or for a period terminating no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty percent (20%) of the

votes of the Association requesting a meeting of the Unit Owners to fill the vacancy for the balance of the term, and that a meeting of the Unit Owners shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by said Unit Owners requesting such a meeting. The Property shall be managed by the Board, and the Board shall act by majority vote of those present at its meeting when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt and the provisions of the Act, however, the Board shall meet at least four (4) times annually. All Board meetings shall be open, except as hereinafter indicated, to all Unit Owners or their proxies or persons holding proxies on behalf of Unit Owners, all of whom shall sign the register immediately prior to the time of the meeting indicating the name(s) of the Unit Owner, the Unit represented, the name of the Voting Member therefor and any other pertinent information the Board of Managers deems necessary. Meetings of the Board of Managers shall be open to any Unit Owner, except for the portion of any meeting held:

(i) 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 of Managers finds that such an action is probable or imminent;

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

(iii) To discuss violations of rules and regulations of the Association or a Unit Owner's unpaid share of Common Expenses.

Any vote on these matters, however, shall be taken at a meeting, or portion thereof, open to any Unit Owner and any Unit Owner may record the proceedings at meetings required to be open by the Act by tape, film or other means. The Board may prescribe reasonable rules and regulations to govern the right to make such recordings. This notice provision shall prevail unless otherwise specifically provided in the Declaration or in the Act. The Board is hereby empowered and authorized to engage the services of a manager or managing agent in this regard.

b. Officers' Appointment. The Board shall appoint, by majority vote from among its members, a President, who shall preside over both its meetings and those of the Voting Members (Association), a Vice President, who shall preside over said meetings in the absence of the President, a Secretary, who shall keep the minutes of all meetings of the Board and of the

Voting Members of the Association and who shall, in general, perform all the duties incident to the office of Secretary, including the mailing and receipt of all notices and execution of amendments to any condominium instrument as provided for herein and by the Act, except as otherwise provided elsewhere as herein stated, and a Treasurer to keep the financial records and books of account. The Board may also appoint, by majority vote, such other officers as it deems appropriate. An officer may be removed by a majority vote of the Board of Directors and upon such removal, the Board, by majority vote, shall appoint his successor for the remainder of said officer's term or until a Unit Owners' meeting in accordance with the provisions of subparagraph a as hereinabove set forth.

c. Removal of Board Members. Any Board member or successor Board members may be removed from office, either with or without cause, by affirmative vote of the Voting Members having at least a majority of the total votes cast at any special meeting at which a quorum is present and called for the purpose. A successor, to fill the unexpired term of a Board member removed, may be elected by majority vote of the Voting Members at the same meeting or at the next meeting, in accordance with the provisions of subparagraph a as hereinabove set forth.

d. Annual and Special Meetings; Notices. An annual meeting of the Board shall be held immediately following the annual meeting of the Unit Owners and at the same place. Special meetings of the Board shall be held upon call by the President or by any member of the Board on not less than forty-eight (48) hours notice in writing to each Unit Owner and the Board delivered in accordance with the provisions of Paragraph 9 of Article XII of the Declaration. Any Unit Owner or member of the Board may in writing waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action of the Board without a meeting.

Each Unit Owner shall receive notice in the same manner as is provided by the Act, as amended, in effect at the time of the recording of the Declaration, and by the Declaration for meetings of the Unit Owners, of any meeting of the Board of Managers concerning the adoption of the proposed annual budget or any increase or establishment of an assessment.

e. Compensation of Board Members and Officers. Neither Board members nor officers shall receive any compensation for their services.

2. General Powers and Duties of the Board. Without limiting the general powers which may be provided by law, the Declaration and the Act, the Board shall have the following general powers and duties:

a. To administer the affairs of the Association and the Property;

b. To elect the officers of the Association as hereinabove provided;

c. To engage the services of a manager or managing agent who shall manage and operate the Property and the Common Elements thereof, upon such terms and for such compensation and with such authority as the Board may approve; provided, that no management agreement may run for a period of beyond two (2) years, except for any contract originally negotiated by Developer or Declarant which shall not exceed one (1) year and which shall not bind the Association unless it includes a right of termination without cause that the Association can exercise any time after the transfer of control and which right of termination shall not require payment of any penalty or advance notice of more than sixty (60) days. Any contract, lease or other agreement made prior to the election of a majority of the Board of Managers other than the Developer by or on behalf of Unit Owners, individually or collectively, the Association or the Board of Managers, which extends for a period of more than two (2) years from the recording of the Declaration, shall be subject to cancellation by more than one-half (1/2) of the votes of the Unit Owners other than the Developer cast at a special meeting of the Voting Members called for that purpose during a period of sixty (60) days following expiration of the two (2) year period. At least sixty (60) days prior to the expiration of the two (2) year period, the Board of Managers, or, if the Board is still under Developer control, then the Board of Managers or the Developer shall send notice to every Unit Owner notifying them of this provision, what contracts, leases and other agreements are affected and the procedure for calling a meeting of the Unit Owners for the purpose of voting on terminating such contracts, lease or other agreements. During the sixty (60) day period, the other party to the contract, lease or other agreement shall also have the right of cancellation. The Board may not enter into a contract with a current Board member or with a corporation or partnership in which a Board member has twenty-five percent (25%) or more interest, unless notice of intent to enter into the contract is given to Unit Owners within twenty (20) days after a decision is made to enter into the contract and the Unit Owners are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the Unit Owners, for an election to approve or disapprove the contract. Such petition shall be filed within twenty (20) days after such notice and such election shall be held within thirty (30) days after filing the petition.

d. To formulate policies for the administration, management and operation of the Property and Common Elements

thereof;

e. To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Elements (as more fully described in subparagraph k. as hereinafter set forth);

f. To provide for the operation, care, upkeep, maintenance, replacement and improvement of the Common Elements and payments therefor, including the establishment of user fees for portions thereof, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent; however, nothing in this subsection shall be deemed to invalidate any provision in this Declaration or By-Laws which places a limit on expenditures for capital additions to or capital improvements to the Common Elements (other than for purposes of repairing, replacing or restoring them) by the Board without prior approval of the Unit Owners. For purposes of this subsection, capital additions and capital improvements shall include structural and non-structural additions and improvements;

g. To provide for the designation, hiring and removal of employees and other personnel, including accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel who may be the employees of the managing agent);

h. Preparation, adoption and distribution of the annual budget for the Property, including estimating the amount of the annual budget and providing the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

i. To comply with the instructions of a majority of the Voting Members (unless a greater plurality is required with respect to any issue or matter as elsewhere herein specified) as expressed in a resolution duly adopted at any annual or special meeting of the Voting Members;

j. Owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by it;

k. Adoption and amendment of rules and regulations covering the details of the operation and use of Property, after a meeting of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations and which conforms to the requirements of

Section 18.b of the Act, however, no rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution, nor may any rules or regulations conflict with the provisions of the Act or the Declaration.

l. To have access to each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units;

m. Pay real property taxes, special assessments and any other special taxes or charges of the State of Illinois or of any political subdivision thereof or other lawful taxing or assessing body which are authorized by law to be assessed and levied upon the real property of the condominium and to seek relief on behalf of all Unit Owners when authorized pursuant to Section 9.1 and 9.2 of the Act from or in connection with the assessment or levying of real property taxes, special assessments and any other special taxes or charges of the State of Illinois or of any political subdivision thereof or of any lawful taxing or assessing body;

n. Impose charges for late payments of a Unit Owner's proportionate share of the Common Expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of the Declaration, By-Laws and rules and regulations of the Association;

o. Unless the Declaration or these By-Laws expressly provide to the contrary, assign its right to future income, including the right to receive Common Expenses;

p. To record the dedication of a portion of the Common Elements to a public body for use as, or in connection with, a street or utility where authorized by a vote of two-thirds (2/3) of the Unit Owners at a meeting duly held for said purpose.

q. To reasonably accommodate the needs of a handicapped Unit Owner as required by Section 18.4 of the Act as to the use of Common Elements or approval of modifications to an individual Unit.

r. To exercise all other powers and duties of the Board of Managers or Unit Owners as a group referred to in the Act and all powers and duties of the Board of Managers referred to in the Declaration or By-Laws.

s. To establish and maintain a system of master metering of public utility services and to collect payments in connection therewith, subject to the Illinois Tenant Utilities Payment Disclosure Act.

3. Specific Powers and Duties of the Board. The Board, for the benefit of the Board, the Association and all Unit Owners (including the Declarant, but solely in its capacity as a Unit Owner), shall acquire and shall pay for, out of the maintenance fund hereinafter provided, the following:

a. Casualty Insurance. A policy or policies of insurance insuring the Common Elements and the Units against loss or damage by the perils of fire, lightning and those contained in standard extended coverage (broad form), with vandalism and malicious mischief endorsements for the full insurable replacement cost of the Common Elements and the Units, written in the name of and with the proceeds thereof payable to the Board of Managers (or directors), as trustee for each of the Owners in the percentages established in Exhibit "C" as may be amended from time to time hereafter. Prior to obtaining any such policy or policies of insurance, or any renewal thereof, except for the initial policy or policies obtained by the Developer, the Board, at its election, may from time to time obtain an appraisal from a qualified appraiser for the purpose of determining the full replacement value of the Common Elements and the Units for the amount of insurance to be effected pursuant hereto. The cost of any and all such appraisals shall be Common Expenses. Each Owner shall notify the Board in writing of any additions or alterations to his Unit resulting in increased value thereof and he shall be responsible for any deficiency in any insurance loss recovery resulting from his failure to so notify the Board. All such policies of insurance shall:

(i) Contain standard mortgage clause endorsements in favor of each mortgagee of each Unit, if any, as their respective interests may appear with such modifications as may be required by the Act, or a "Special Condominium Endorsement" or its equivalent if required by any governmental or quasi governmental agency;

(ii) Provide that the insurance, as to the interest of the Board, shall not be invalidated by any act or neglect of any Owner;

(iii) 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 of the Owners' election to sell the Property or remove the Property from the provisions of the Act;

(iv) Contain an endorsement to the effect that such policy shall not be terminated for nonpayment of premiums without at least ten (10) days prior written notice to the mortgagee of each Unit;

(v) Contain a clause or endorsement whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the Declarant, the Developer, the managing agent, if any, their respective employees and agents, and Owners and Occupants;

(vi) Contain a "Replacement Cost Endorsement"; and

(vii) Include the Declarant or Developer as an additional party insured in its capacity only as Unit Owner and Board member.

The Board may engage the services of a bank or trust company authorized to do trust business in Illinois and having a capital of not less than Fifteen Million and no/100 (\$15,000,000.00) Dollars to act as Insurance Trustee and to receive and disburse the insurance proceeds resulting from any loss upon such terms as the Board shall determine consistent with the provisions of the Declaration. In the event the lowest of three (3) bids from reputable contractors for making all repairs required by any such loss shall exceed Fifty Thousand and no/100 (\$50,000.00) Dollars, the Board, upon written demand of the mortgagee of any Unit, shall engage the services of an Insurance Trustee as aforesaid. The fees of such Insurance Trustee shall be Common Expenses. The proceeds of such insurance shall be applied by the Board or by the corporate trustee on behalf of the Board for the reconstruction of the Buildings or shall be otherwise disposed of in accordance with the provisions of the Declaration and the Act; and the rights of the mortgagee of any Unit under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein or in any mortgage contained, at all times be subject to the provisions in the Act with respect to the application of insurance proceeds to reconstruction of the Buildings. The Board shall notify insured persons concerning the cancellation of insurance obtained pursuant to the terms as herein stated.

Each Unit Owner shall inform the Board in writing of additions, alterations or improvements made by said Unit Owner to his Unit and the value thereof, which value shall be included in the full replacement insurable cost for insurance purposes. If a Unit Owner fails to inform the Board as provided above and a penalty is assessed in the adjustment law settlement, the Unit Owner shall be responsible for such penalty.

b. Liability Insurance. Comprehensive public liability insurance, including liability for injuries to and death of persons and property damage in such limits as it shall deem desirable (but not less than One Million and no/100 (\$1,000,000.00) Dollars for any one (1) person injured and for any one (1) occurrence, and One Hundred Thousand and no/100 (\$100,000.00) Dollars solely for property damage), and other liability insurance, as it may deem desirable, insuring each Unit Owner, the Association, its officers, members of the Board, the Developer, the manager and managing agent of the Buildings, if any, and their respective employees and agents from liability in connection with the Ownership and/or use of the Property and insuring the officers of the Association and members of the Board against liability for good faith actions beyond the scope of their respective authorities.

The above referred to insurance shall cover claims of one (1) or more of the insured parties against the other insured parties. The insurance shall contain a waiver of any rights to subrogation by the insuring company against any of the above named insured persons. The insurance shall provide that it shall not be canceled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association, and to each First Mortgagee who is listed in said policy. Premiums for such insurance shall be Common Expenses.

c. Workmen's Compensation; Other Insurance. Workmen's compensation insurance to the extent necessary to comply with any applicable laws and such other forms of insurance as the Board, in its judgment, elects from time to time to procure. As provided in Section Nine (9) of the Illinois Condominium Act, the Board may assess the Common Expense for insurance premiums on a basis which reflects increased charges for coverage on certain Units.

d. Fidelity Bond. The Board shall have the authority to and shall obtain a fidelity bond, or insurance similar to same, indemnifying the Association, the Board and the Unit Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or the managing agent, or of any other person handling the funds of the Association, the Board or the Unit Owners in such amounts as the Board shall deem desirable. The premium for such fidelity bond shall be a Common Expense.

The Board shall also have the authority to and shall obtain such insurance, as it deems desirable, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officer of the Association, and member of any committee appointed pursuant to these By-Laws of the Association, from liability arising from

the fact that said person is or was a director or officer of the Association or a member of such a committee. The premiums for such insurance shall be a Common Expense. The amount of coverage for any such fidelity bond or bonds shall be no less than an amount equal to three (3) months aggregate assessments on all Units, plus the amount held in reserve by the Association pursuant to Article IX, Paragraph 2 as hereinafter set forth. All fidelity bonds shall provide that they may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association and any FNMA mortgage servicer.

e. Additional Fiduciary Insurance Coverage. The Board shall also require that all officers, employees or other persons who either handle or are responsible for funds administered by the Association shall obtain fiduciary insurance coverage covering the maximum amount of funds that will be in the custody of the Association, plus the Association's reserve fund, the premium to be a Common Expense. In addition, all management companies who either handle or are responsible for funds held or administered by the Association shall furnish a fidelity bond to the Association which covers the maximum amount of Association funds that will be in the custody of the management company, plus the Association's reserves, the premium to be a Common Expense. The management company shall at all times maintain a separate account for each reserve fund, for the total operating funds of the Association managed by the management company, and for all other monies of the management company consistent with the provisions of the Act.

f. Additional Expenses. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Board is required to secure, to pay for pursuant to the terms of these restrictions or By-Laws or which, in its opinion, shall be necessary or proper for the maintenance and operation of the Property or for the enforcement of the Declaration;

g. Certain Maintenance of Units. Maintenance and repair of any Unit as provided in the Declaration and maintenance and repair of any Unit if such maintenance or repair is necessary, in the discretion of the Board, to protect the Common Elements or any other portion of the Buildings, when the Owner or Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Owner or Owners; provided, that the Board shall levy a special assessment against such Unit Owner for the costs of said maintenance or repair. The Board, or its agents, may enter

any Unit when necessary to determine whether any construction or maintenance is necessary and further to perform such maintenance and repairs. It may likewise enter any attic for inspection, maintenance, repair or construction. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the maintenance fund.

h. Capital Additions and Improvements. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Elements subject to all the provisions of the Declaration) having a total cost in excess of Three Thousand and no/100 (\$3,000.00) Dollars, nor shall the Board authorize any structural alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of Three Thousand and no/100 (\$3,000.00) Dollars without, in each case, the prior approval of the Voting Members holding two-thirds (2/3) of the total votes cast at a duly convened meeting of Unit Owners. Any capital improvements or additions to the Common Elements requiring a Special Assessment shall also require two-thirds (2/3) approval, notwithstanding the amount required.

i. Certain Utility Services to Units. The Board may pay from the maintenance fund for water charges and taxes, waste removal and/or any utilities which are not separately metered or otherwise directly charged to individual Owners. However, the Board may discontinue such payments at any time, in which case each Owner shall be responsible for direct payment of his share of such expenses as determined by the Board. The Board reserves the right to levy additional assessments against any Owner, to reimburse it for excessive use by such Owner of any utility service, the expense of which is charged to the maintenance fund.

4. Vouchers. All vouchers for payment of expenditures by the Board shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such vouchers shall be signed by the Treasurer and countersigned by the President of the Board.

5. Rules and Regulations; Management.

a. Rules. The Board may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property and for the health, comfort, safety and general welfare of the Owners and Occupants of said Property, subject, however, to the

provisions of Article V, Paragraph 2.k as hereinabove set forth. Written notice of such rules and regulations shall be given to all Owners and Occupants, and the entire Property shall at all times be maintained subject to such rules and regulations.

b. Records of the Association - Availability for Examination. The Board of Managers shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgagees and their duly authorized agents or attorneys:

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

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

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

(iv) Ballots for all elections to the Board and for any other matter voted on by the Unit Owners and proxies related thereto, to be maintained for a period of not less than one (1) year; provided that if the Association has adopted the secret ballot election process described in Article V, Paragraph 1 of these By-Laws, unless directed by court order, only the voting ballot, excluding a Unit Number, shall be subject to inspection and copying.

(v) Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not-for-Profit Corporation Act of 1986 of the State of Illinois, as amended, shall be maintained.

(vi) A reasonable fee may be charged by the

Association or its Board of Managers for the actual cost of copying.

(vii) Where a request for records under this Section is made in writing to the Board of Managers or its agent, failure to provide the requested record or to respond within thirty (30) days shall be deemed a denial by the Board of Managers.

(viii) If the Board of Managers fails to provide records properly requested under subparagraph (a) within the time period provided in subparagraph (b), the Unit Owner may seek the appropriate relief including an award of attorney's fees and costs.

c. Notice. Upon ten (10) days' notice to the Board or managing agent (if any) and payment of a reasonable fee, an Owner shall be furnished a statement of said Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

d. Units Owned by a Land Trust. With respect to Units owned by a land trust, if a trustee designates, in writing, a person to cast votes on behalf of the Unit Owner, that designation shall remain in effect until a subsequent document is filed with the Association.

e. Association - Not-for-Profit Activities. Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

6. Liability of the Board of Managers.

a. Liability to Owners. Neither the Declarant (or its beneficiaries), the Developer, the members of the Board nor the officers of the Association shall be liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such de facto or de jure Board members and officers, except for any acts or omissions found by a court of law to constitute willful misconduct in the performance of duty.

b. Liability to Third Parties. The Owners (and, to the extent permitted by law, the Association) shall indemnify and hold harmless the Declarant (and its beneficiaries), the Developer, each of the members of the Board and each of the officers against all contractual and other liabilities to

others arising out of contract made by or other acts of the Declarant (and its beneficiaries), the Developer, the Board and Officers on behalf of the Owners or the Association, or arising out of their de facto or de jure status as Board members or officers unless any such contract or act shall have been made fraudulently or with gross negligence or contrary to the provisions of this Declaration. It is intended that the foregoing indemnification shall apply against all costs and expenses (including, but not limited to, attorney's fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other in which the Declarant (and its beneficiaries), the Developer, any member of the Board or officers may be involved by virtue of such person being or having been or having served as such member or officer; provided, however, that such indemnity by the Association shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of his duties as such member or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by the Board (who may be counsel regularly retained by the Association) there are no reasonable grounds for such person or officer being adjudged liable for willful misconduct in the performance of his duties as such member or officer. The Board shall have authority to purchase and maintain insurance on behalf of the officers and members of the Board against any expenses (including attorney's fees), liability or settlement based on asserted liability, incurred by them by reason of being or having served in such capacity, whether or not the Association would have the power to indemnify them against such liability or settlement under the provisions of this paragraph. The costs of any such insurance shall be a Common Expense. It is also intended that the liability of any Owner arising out of any contract made by the Board, the officers, Declarant (or the beneficiaries of Declarant), the Developer, or out of the aforesaid Owners' indemnity, shall be limited to such proportion of the total liability thereunder as such Owner's percentage of ownership in the Common Elements bears to the total percentage of ownership in the Common Elements of all Owners. Every contract made by the Board, the officers, the Declarant (or the beneficiaries of Declarant), the Developer or the managing agent on behalf of the Owners shall provide that they are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners) and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as such Owner's percentage of ownership in the Common Elements bears to the total percentage of ownership in the Common Elements of all Owners. If the Board or Association elects to or is

required to indemnify or hold harmless a Board member or officer pursuant to this paragraph, the Board reserves the right to provide defense for such member and to settle or compromise any claim against such individuals.

ARTICLE VI

Officers

1. Officers. The officers of the Association shall be a President, one (1) or more Vice Presidents, a Secretary, a Treasurer and such assistants to such officers as the Board may deem appropriate. All officers shall be elected at each annual meeting of the Board and shall hold office at the discretion of the Board. Officers may succeed themselves. The President, Secretary and Treasurer shall be directors and all other officers may, but need not be, directors.

2. Vacancy of Office. Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof until the next meeting of Unit Owners or for a period terminating no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty percent (20%) of the votes of the Association, requesting a meeting of the Unit Owners to fill the vacancy for the balance of the term and that a meeting of the Unit Owners shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by said Unit Owners requesting such a meeting.

3. Powers of Officers. The respective officers of the Association shall have such powers and duties as are from time to time prescribed by the Board and as are usually vested in such officers of an Illinois Not-for-Profit Corporation, including, without limitation, the following:

a. The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Owners and at all meetings of the Board and shall execute amendments to the Declaration and these By-Laws as provided for in the Act;

b. The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office and other duties assigned by the Board. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to act in the capacity of President on an interim basis.

c. The Secretary shall keep minutes of all meetings of

the Owners and of the Board and shall have custody of the Association Seal, (if any) and have charge of such other books, papers and documents as the Board may prescribe and shall be responsible for giving and receiving all notices to be given to or by the Association under the Act, the Declaration or these By-Laws.

d. The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in the Association books of accounts kept for such purpose. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

4. Officers' Compensation. The officers shall receive no compensation for their services, except as expressly provided by a resolution duly adopted by the Voting Members.

ARTICLE VII

Instruments, Checks, Deposits and Funds

1. Execution of Instruments. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument (including amendments to the Declaration or these By-Laws which must be executed by the Association) in the name of and on behalf of the Association and such authority may be general or confined to specific instances. In the absence of any such authorization by the Board, any such contract or instrument shall be executed by the President or a Vice President and attested to by the Secretary or an Assistant Secretary of the Association.

2. Payments. All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents 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 determination by the Board, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

3. Bank Accounts. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board shall elect.

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

ARTICLE VIII

Fiscal Management

1. Fiscal Year. The fiscal year of the Association shall be determined by the Board and may be changed from time to time as the Board deems advisable.

2. Annual Statement. Within reasonable time after the close of each fiscal year, but in no event later than May 1st of the following year, the Board shall furnish each Owner with an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the Annual Assessment budget, and showing the net excess or deficit of income over expenditures, plus reserves.

ARTICLE IX

ASSESSMENTS - MAINTENANCE FUND

1. Annual Budget and Other Assessments.

(a) Preparation and Passage. Each year on or before December 1, the Board shall estimate in the form of a detailed budget the total amount necessary to pay the cost of wages, materials, insurance, services, supplies and fees which will be required during the ensuing calendar/fiscal year for the acquisition of all such goods and services, together with a reasonable amount determined by the Board for a reserve for contingencies and replacements (the "estimated cash requirement"). The proposed budget shall set forth each Owner's Common Expense assessment. The estimated cash requirement shall be assessed to Owners according to each Owner's percentage of ownership in the Common Elements as set forth in Exhibit "C" attached hereto and as may be amended from time to time. Each Owner shall receive, at least thirty (30) days prior to the adoption thereof by the Board, a copy of the proposed annual budget together with an indication of which portions are intended for capital expenditures or repairs or payment of any real estate taxes. Each Owner shall receive notice, in the same manner as is provided in the Condominium Property Act for membership meetings, of any meeting of the Board concerning the adoption of the proposed annual budget and regular assessments pursuant thereto or to adopt a separate (special) assessment. In the event any budget that is adopted differs from the proposed budget, then immediately after adoption, the Board shall distribute

to each Owner a detailed annual budget as adopted by the Board, setting forth with particularity all anticipated Common Expenses by category as well as all anticipated assessments and other income.

(b) Ratification of Annual Budget and Separate Assessments.

(i) That except as provided in subsection (iii) below, if an adopted budget or any separate assessment adopted by the Board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding one hundred and fifteen (115%) percent of the sum of all regular and separate assessments payable during the preceding fiscal year, the Board of Managers, upon written petition by Unit Owners with twenty (20%) percent of the votes of the Association delivered to the Board within fourteen (14) days of the Board's action, shall call a meeting of the Unit Owners within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment; that unless a majority of the total votes of the Unit Owners are cast at the meeting to reject the budget or separate assessment, it is ratified;

(ii) that any Common Expense not set forth in the budget or any increase in assessments over the amount adopted in the budget shall be separately assessed against all Unit Owners;

(iii) that separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the Board of Managers without being subject to Unit Owner approval or the provisions of item (i) above or item (iv) below. 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 Unit Owners;

(iv) that assessments for additions and alterations to the Common Elements or to Association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of two-thirds of the total votes of all Unit Owners;

(v) that the Board of Managers may adopt separate assessments payable over more than one fiscal year, with respect to multi-year assessments not governed by items (iii) and (iv). The entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved.

(c) Payment. On or before January 1st of the ensuing year, and the 1st of each and every month of said year, each Owner, jointly and severally, if there be more than one (1) Owner for any Unit, shall be personally liable for and obligated to pay to the Board or as it may direct, one-twelfth (1/12) of his (or their) total assessment made pursuant to this Paragraph 1.

(d) Accounting. On or before May 1st of each calendar/fiscal year following the initial meeting of Owners, the Board shall supply to all Owners an itemized accounting of the Common Expenses for the preceding calendar/fiscal year actually incurred or paid, together with an indication of which portions were for capital expenditures or repairs or payment of any real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves. Such accounting may be prepared by a certified public accountant. Any amount accumulated in excess of the amount required for expenditures and reserves may be credited according to each Owner's percentage of ownership in the Common Elements to the next monthly installments due from the Owners under the current year's estimate, until exhausted. Upon written request of any governmental or quasi-governmental agency or corporation, the Association, within a reasonable time, shall prepare and furnish an audited financial statement of the Common Expenses and budget for the immediately preceding fiscal year.

(e) Foreclosure. The purchaser of a condominium Unit at a judicial foreclosure sale, or a mortgagee who receives a title to a Unit by deed in lieu of foreclosure or judgment by common law strict foreclosure, or otherwise takes possession pursuant to court order under the Illinois Mortgage Foreclosure Law, shall have the duty to pay the Unit's proportionate share of the Common Expenses for the Unit assessed from and after the first day of the month after the date of the judicial foreclosure sale, delivery of the deed in lieu of foreclosure, entry of a judgment in common law strict foreclosure, or taking possession pursuant to such court order. Such payment confirms the extinguishment of any lien in favor of the Association by virtue of the failure of a prior Unit Owner to make payment of Common Expenses, where the judicial foreclosure sale has been confirmed by order of court, a deed in lieu thereof has been accepted by the lender, or a consent judgment has been entered by the court.

(f) Responsibility of Voluntary Transferees for Unpaid Assessments. In a voluntary transfer of a Unit, the transferee of the Unit shall be jointly and severally liable with the transferor for all unpaid assessments against the latter up to the time of transfer, without prejudice to the transferee's right to recover from the transferor the amounts paid by the transferee therefor. However, any such transferee shall be entitled to a statement from

the Board or President or managing agent of the Association, as the case may be, setting forth the amount of the unpaid assessments against the transferor due the Association and such transferee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the transferor in excess of the amount therein set forth. The Board may charge a reasonable amount for issuing said statement.

2. Reserves.

(a) Maintenance. The Board shall accumulate and maintain a reasonable reserve for contingencies and replacements. The reserve shall include funds to cover any deductible amounts contained in insurance policies procured by the Board pursuant to the Declaration or By-Laws. Extraordinary or other expenditures not included in the annual budget which may become necessary during the year, shall be charged first against such reserve.

(b) Special Assessments. Subject to the provisions of Paragraph 1 (b) above, if the reserves and the budgeted estimated cash requirements prove inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a supplemental assessment, which shall be assessed to the Owners according to their percentage of ownership in the Common Elements. Subsequent to the Board's adoption of the supplemental assessment, the Board shall serve notice of such supplemental assessment on all Owners by a written statement setting forth the amount and reasons therefor. Such supplemental assessment shall become effective with the next succeeding monthly Common Expense assessment payment which is due more than ten (10) days after the delivery or mailing of such notice of supplemental assessment. All Owners shall be personally liable for and obligated to pay their respective adjusted monthly amounts.

3. Initial Budget. When the first elected Board hereunder takes office, it shall determine the estimated cash requirement, as hereinabove defined, for the period commencing thirty (30) days after such election and ending December 31 of the current fiscal/calendar year in which such election occurs. Assessments shall be levied against the Owners during such period as provided in this Article. All Common Expenses incurred or accrued prior to the first conveyance of a Unit shall be paid by the Developer and during this period no Common Expense assessment shall be payable by the Association.

4. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or serve the annual or adjusted estimate budget on an Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay his share of the Common Expenses, as herein provided, whenever the same shall be determined. In the absence of any annual budget, each Owner shall

continue to pay the monthly Common Expense assessment at the rate established for the immediately preceding period until the new annual budget is adopted and the new monthly Common Expense assessment thereunder is effective. Upon the adoption of the budget, each Owner will be personally liable for the monthly Common Expense assessment payments thereunder.

5. Request by Encumbrancer as to Common Expenses. Any encumbrancer may from time to time request in writing a written statement from the manager or Board setting forth the unpaid Common Expenses with respect to the Unit covered by its encumbrance. Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid at the same rank as the lien of its encumbrance.

6. Status of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Owners in the percentages set forth in Exhibit "C" as may be amended from time to time; provided, however, that sums deposited by any Owner as a capital contribution to the Association, or denominated as such by the Board, and reserves established pursuant to this Article, shall be deemed contributions to the capital of the Association and shall be held and administered as such unless and until the Board shall otherwise determine.

7. Non-payment.

(a) Late Charges, Collection and Foreclosure of Lien. If an Owner shall fail to pay his monthly Common Expense assessment or any other charges when due, he shall be charged a late charge as determined by the Board for each thirty (30) days period (or portion thereof) during which said amounts remain unpaid. If an Owner is in default in the monthly payment of the aforesaid Common Expense assessment or any other charges for thirty (30) days, the Board may bring suit for and on behalf of the Association and as representative of all Owners, to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, and other fees and expenses together with legal interest and reasonable attorneys' fees incurred in enforcing the covenants of the condominium instruments, rules and regulations of the Board, or any applicable statute or ordinance.

(b) Lien. To the extent permitted by a decision, statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided shall be and become a lien or charge against the Unit Ownership of the Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Such lien shall take effect and be in force when and as provided in the Condominium Property Act; provided, however, that first encumbrances owned or held by any bank, insurance company, savings and loan association or other lender shall have priority to the

lien for unpaid Common Expense assessments which become due and payable on or subsequent to the date on which the encumbrancer either takes possession of the Unit, accepts a conveyance of any interest in the Unit Ownership or causes a receiver to be appointed in a suit to foreclose its lien; and provided further that any First Mortgagee who obtains title to a Unit Ownership pursuant to the conditions provided in the mortgage or foreclosure of the mortgage, will not be liable for such Unit's unpaid assessments and charges which accrue prior to the acquisition of title to such Unit Ownership. Except as hereinabove provided in Paragraph 5 of this Article, any second mortgage shall at all times be subordinate in lien rights to the Association's lien for assessments, whether or not the Association has recorded a document evidencing such lien.

(c) Cumulative Rights. In addition to the foregoing, the Board or its agents shall have such other rights and remedies to enforce such collection as shall otherwise be provided or permitted by law from time to time. Without limiting the generality of the foregoing, if any Owner shall fail to pay his proportionate share of the Common Expenses or of any other expenses required to be paid hereunder when due, such rights and remedies shall include (1) the right to enforce the collection of such defaulting Owner's share of such expenses together with interest thereon at the maximum rate permitted by law, late charges, and all fees and costs (including reasonable attorneys' fees whether or not awarded by a court) incurred in the collection thereof; and (2) the right to take possession of such defaulting Owner's interest in the Property, to maintain for the benefit of all the other Owners an action for possession in the manner prescribed by Article IX of the Illinois Code of Civil Procedure (735 I.L.C.S., Sec. 5, par. 9-111. et seq. and 765 I.L.C.S., Sec. 9, Par. 9.2.), as may from time to time be amended, and to execute leases of such defaulting Owner's interest in the Property and apply the rents derived therefrom against such expenses and other monetary obligations of the defaulting Owner.

(d) Forbearance of Assessments. The Association shall have no authority to forbear the payment of assessments by any Owner.

8. Non-use or Abandonment. No Owner may waive or otherwise escape liability for assessments provided for herein by non-use of the Common Elements or abandonment of his Unit. Any claim by an Owner against the Association shall be by separate action and shall not be used as a defense or counterclaim to an action by the Association to collect assessments.

9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any bona fide first mortgage placed at any time on a Unit by a

First Mortgagee. Each holder of a bona fide first mortgage on a Unit who obtains title or comes into possession of that Unit pursuant to the remedies provided in the mortgage, foreclosure, or any purchaser at a foreclosure sale, will take the Unit free of any claims for unpaid assessments or charges which become payable prior to the first to occur of acquisition of title, decree of foreclosure or possession of the Unit.

10. Initial Capital Contribution. Upon the closing of the sale of each Dwelling Unit by the Developer to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount at least equal to two (2) months' Annual Assessment at the rate in effect with respect to the Dwelling Unit as of the closing, which amount shall be held and used by the Association for its working capital needs.

ARTICLE X

RESALE

1. Documents. In the event of any resale of a Unit by an Owner other than the Declarant or Developer such Owner shall obtain from the Board and shall make available for inspection to the prospective purchaser, upon demand, the following:

- a. A Copy of the Declaration, By-Laws, other condominium instruments and any rules and regulations.
- b. A statement of any liens, including a statement of the account of the Unit setting forth the amounts of unpaid assessments and other charges due and owing, as authorized by the provisions of Section 9 of the Act or by the Declaration.
- c. A statement of any capital expenditures anticipated by the Association within the current or succeeding two fiscal years.
- d. A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the Board.
- e. A copy of the statement of financial condition of the Association for the last fiscal year for which such statement is available.
- f. A statement of the status of any pending suits or judgments in which the Association is a party.
- g. A statement setting forth what insurance coverage is provided for all Owners by the Association.

- h. A statement that any improvements or alterations made to the Unit, or the Limited Common Elements assigned thereto, by the prior Owner are in good faith believed to be in compliance with the condominium instruments.
- i. The identity and mailing address of the principal officer of the Association or of some other officer or agent who is specifically designated to receive notices.

2. Written Request. The President of the Association or such other officer as is specifically designated shall furnish the above information when requested to do so in writing and within twenty (20) days of the request.

3. Fee. A reasonable fee covering the direct out-of-pocket cost of providing such information and copying may be charged by the Association or the Board to the Unit seller for providing such information.

ARTICLE XI

AMENDMENT

The provisions of these By-Laws may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the President and Secretary of the Board, and certifying that the Owners having at least a majority of the total votes have approved such amendment at a meeting of the Association duly called for such purpose, and containing an affidavit by an officer of the Board certifying that a copy of the change, modification or rescission has been mailed by certified mail to all First Mortgagees, no less than ten (10) days prior to the date of such affidavit.

Notwithstanding the foregoing, an amendment to these By-Laws which falls within the parameters of Article X of the Declaration shall not be effective without the prior written approval of sixty-seven (67%) percent of all First Mortgagees. Any change, modification or rescission shall be effective upon recording such instrument in the office of the Recorder of Deeds, Lake County, Illinois.

EXHIBIT "E"

LEGAL DESCRIPTION OF DEVELOPMENT AREA