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D E C L A R A T I O N

ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP

OF

PREMISES AT ROUTE 59 AND GRASS LAKE ROAD,
ANTIOCH (LAKE VILLA) TOWNSHIP, LAKE COUNTY, ILLINOIS

PURSUANT TO THE CONDOMINIUM PROPERTY ACT OF THE

STATE OF ILLINOIS

NAME -- HARBOR RIDGE CONDOMINIUM NO. /

DECLARATION OF CONDOMINIUM OWNERSHIP
and of
EASEMENTS, RESTRICTIONS AND COVENANTS
for
"HARBOR RIDGE CONDOMINIUM NO. / "

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DECLARATION OF CONDOMINIUM OWNERSHIP

and of

EASEMENTS, RESTRICTIONS AND COVENANTS

for

"HARBOR RIDGE CONDOMINIUM NO. / "

THIS DECLARATION made and entered into by CENTRAL NATIONAL BANK IN CHICAGO, a National Banking Association, as Trustee under Trust Agreement dated June 4, 1976, and known as Trust No. 21825, and not individually, for convenience hereinafter referred to as the "Declarant",

W I T N E S S E T H: T H A T

WHEREAS, the Declarant is the record owner of the following described real estate:

The Real Estate described on Exhibit "A",
attached hereto and forming a part hereof;

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and

WHEREAS, the above described real estate, located south of Grass Lake Road and west of Route 59 (Illinois) in Antioch (Lake Villa) Township, is the site of certain residential units constructed or intended to be constructed by the beneficiaries of the aforesaid trust; and

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

WHEREAS, the Declarant has elected to establish, for the benefit of such Declarant and for the mutual benefit of all future owners or occupants of the property, or any part thereof, which shall be known as "Harbor Ridge Condominium No. 1", certain easements and rights in, over and upon said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, the Declarant has further elected to declare that the several owners, mortgagees, occupants, and other persons acquiring any interest in the property shall at all times enjoy the benefits of, and shall at all times hold their interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote 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, CENTRAL NATIONAL BANK IN CHICAGO, a National Banking Association, as Trustee aforesaid and not individually, as the record owner of the real estate 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:

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

Parcel: All of the real estate above described.

Building: A Building located on the Parcel containing one or more Units, as more specifically hereafter described in Article II.

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

Unit: A part of the Property within a Building including one or more rooms, occupying one or more floors or a part or parts thereof, designed and intended for a one-family dwelling or such other uses permitted by this Declaration, and having lawful access to a public way.

Common Elements: All of the Property except the Units.

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

Parking Area: The part of the Common Elements provided for parking automobiles, including indoor parking areas, as shown on Exhibit "B" attached hereto, but not including parking garages constituting part of the Unit.

Parking Space:

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

Person:

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

Owner:

The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit Ownership. For the purposes of Article VIII hereof, unless otherwise specifically provided therein the word "Owner" shall include any beneficiary of a trust, shareholder of a corporation or partner of a partnership holding legal title to a Unit.

Occupant:

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

ARTICLE II

UNITS

1. Description and Ownership. All Units in the Building(s) located on the Parcel are delineated on the surveys attached hereto as Exhibit "B" and made a part of this Declaration. It is understood that each Unit consists of the space enclosed or bounded by the horizontal and vertical planes set forth in the delineation thereof in Exhibit "B". The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown in Exhibit "B". Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit "B", and every such description shall be deemed good and sufficient for all purposes. Except as provided by the Condominium Property Act, no Owner shall, by deed, plat or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on Exhibit "B".

2. Certain Structures Not Constituting Part of a Unit.

No Owner shall own any pipes, wires, conduits, public utility lines or structural components running through his Unit and serving more than his Unit except as a tenant in common with all other Owners.

ARTICLE III

COMMON ELEMENTS

1. Description. Except as otherwise in this Declaration provided, the Common Elements shall consist of all portions of the Property except the Units. Without limiting the generality of the foregoing, the Common Elements shall include the land, stairways, elevators (if any), entrances and exits, halls, balconies, patios, lobbies, corridors, storage areas, roof, structural parts of the Building, basement, Parking Area (except in cases in which a parking area is part of a Unit), common heating and air-conditioning units (if any), pipes, ducts, flues, chutes, conduits, wires and other utility installations to the outlets, and such component parts of walls, floors and ceilings as are not located within the Units.

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

ARTICLE IV

GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

1. Submission of Property to "Condominium Property Act".
The property is hereby submitted to the provisions of the "Condominium

Property Act" of the State of Illinois.

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. Easements. (a) Encroachments. In the event that, by reason of the construction, settlement or shifting of a Building, 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 part of any Unit encroaches or shall hereafter encroach upon any part of another Unit, or, if by reason of the design or construction of any Unit, it shall be necessary or advantageous to an Owner to use or occupy any portion of the Common Elements for any reasonable use appurtenant to said Unit, which will not unreasonably interfere with the use or enjoyment of the Common Elements by other Unit Owners, or, if by reason of the design or construction of utility and ventilation systems, any main pipes, ducts or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit, valid easements for the maintenance of such encroachment and for such use of the Common Elements are hereby established and shall exist for the benefit of such Unit and the Common Elements, as the case may be, so long as all or any part of the Building 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 and if it occurred due to the willful conduct of any Owner.

(b) Utility Easements. Illinois Bell Telephone Company, Commonwealth Edison Company, Northern Illinois Gas Company and all other public utilities serving the Property are hereby granted the right to lay, construct, renew, alter, remove, operate and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Common Elements for the purpose of providing utility services to the Property, together with the reasonable right of ingress to and egress from the Property for said purpose. The Board of Managers (hereinafter called the "Board") may hereafter grant other or additional easements for utility purposes for the benefit of the Property over, under, along and on any portion of said Common Elements, and each Owner hereby grants the Board an irrevocable power of attorney to execute, acknowledge and record or register, for and in the name of such Owner, such instruments as may be necessary to effectuate the foregoing. Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of a Unit, whether or not such walls lie in whole or in part within the Unit boundaries.

(c) Balconies and Patios. A valid exclusive easement is hereby declared and established for the benefit of each Unit and its Owner, consisting of the right to use and occupy the balcony or patio adjoining the Unit; provided, however, that no Owner shall decorate, fence, enclose, landscape, adorn or alter such balcony or patio in any manner contrary to such rules and regulations as may be established by the Board, as hereinafter provided, or unless

he shall first obtain the written consent of said Board so to do.

(d) Parking Area. The Parking Areas as shown on Exhibit "B" attached hereto shall be part of the Common Elements. The Parking Areas shall be used and operated in such manner and subject to such rules and regulations as the Board may prescribe from time to time. The Declarant hereby reserves the right, until sale and conveyance of all Unit Ownerships, to sell and grant to any Owner and to no other person an easement for the perpetual and exclusive use of at least one designated Parking Space (but not more than two such exclusive Parking Spaces for any Owner), which easement shall be deemed to be appurtenant to and pass with the title to the Unit to which appurtenant (and in no other manner) even though not expressly mentioned in the document passing title to the Unit. The Declarant shall, in the event of exercise of such reserved right, give the Board notice thereof and the name of the Owner to whom the Declarant has granted the easement, which notice shall be conclusive upon the Board and all Owners as to the rights of the Owner designated in such notice. Subject to the foregoing, the Board may determine to grant exclusive use and possession to designated parking stalls in any portion of the Property allocated to parking purposes to Owners, and the Board may in any event prescribe such rules and regulations with respect to such Parking Areas as the Board may deem fit and may, additionally, operate any Parking Areas itself or lease any Parking Areas for operation by others upon such terms as it may deem fit. All revenue received by the Board or by the "Association" (as defined in Article V, Section 2 hereof) from any said Parking Areas, less operation expenses thereof, if any, shall be applied in accordance with the By-Laws. Such exclusive use and possession given an Owner or Owners shall be subject to such rules and regulations as the Board may deem fit to impose, which may include a requirement that such exclusive use and

possession encompass the obligation to clean and maintain that portion of the Common Elements subject thereto as an expense of an Owner rather than a Common Expense.

(e) Storage Area. Any storage area in a Building, for Owners' personal property, outside of the respective Units, shall be part of the Common Elements, and the exclusive use and possession of such area shall be allocated among the respective Owners in such manner and subject to such rules and regulations as the Board may prescribe. Each Owner shall be responsible for his personal property in such storage area. The Board and the Association shall not be considered the bailee of such personal property and shall not be responsible for any loss or damage thereto whether or not due to the negligence of the Board and/or the Association.

(f) Easements to Run with Land. All easements and rights described herein are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, purchaser, mortgagee and other person having an interest in the Property, or any part or portion thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this 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 part or portion of the Property as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

(g) Separate Mortgages of Units. Each Owner shall have the right to mortgage or encumber his own respective Unit, together with his respective ownership interest in the Common Elements. No 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.

(h) Separate Real Estate Taxes. It is intended that real estate taxes are to be separately taxed to each 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 Owner, but are taxed on the Property as a whole, then each Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements.

(i) Utilities. Each 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.

4. Maintenance, Repairs and Replacement of Units.

(a) By the Board. The Board, at the Association's expense, shall be responsible for the maintenance, repair and replacement of those portions, if any, of each Unit which contribute to the support of the Building, excluding, however, interior wall, ceiling and floor surfaces. In addition, the Association, through the Board, shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which may be located within the Unit boundaries as specified in Article II, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of an individual Owner under any other provision of this Declaration.

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

(1) All of the maintenance, repairs and replacements within his own Unit and of the doors and windows appurtenant thereto, and all internal installations of such Unit such as refrigerators, ranges, 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, provided, however, such maintenance, repairs and replacements as may be required for the functioning of the heating system and the plumbing within the Unit, and for the bringing of water, gas and electricity to the Unit, shall be furnished by the Board as part of the Common Expenses. The Board may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Building personnel as a Common Expense.

(2) All of the decorating within his own Unit from time to time, including painting, wallpapering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of his Unit as shown on the Plat, and such 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. Each Owner who shall elect to install in any portion of his Unit hard surface floor covering (i.e., tile, slate, ceramic, etc.) shall be first required to install a sound-absorbent undercushion of such kind and quality as to prevent the transmission of noise to the Unit below. The interior and exterior surfaces of all windows forming

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part of a perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Owner. The use of and the covering of the interior surfaces of such windows, whether by draperies, shades or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Board. Decorating of the Common Elements (other than interior surfaces within the Units as 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 Board, shall be furnished by the Association as part of the Common Expenses. Nothing herein contained shall be construed to impose a contractual liability upon the Board or Association for maintenance, repair and replacement, but its liability shall be limited to damages resulting from negligence. The respective obligations of the Association and 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 Owner shall have a claim against the Board, Association or another Owner for any work, ordinarily the responsibility of the Board or Association, but which the Owner himself has performed or paid for, unless the same shall have been agreed to in writing in advance by the Board or Association.

5. Negligence of Owner. If, due to the negligent act or omission of an Owner, or of a member of his family or household pet

or of a guest or other authorized occupant or visitor of such Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board.

6. 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 Owners shall be subject to the rules and regulations of the Board. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Building, 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.

7. Alterations, Additions and Improvements. No alterations of any Common Elements, or any additions or improvements thereto, shall be made by any Owner without the prior written approval of the Board.

ARTICLE V

ADMINISTRATION

1. Administration of Property. The direction and administration of the Property shall be vested in a Board of Managers (the "Board"), consisting of five (5) persons who shall be elected in the manner hereinafter provided. Each member of the Board shall be one of the Owners or a spouse of an Owner and shall reside on the Property; provided, however, that in the event an Owner is a

corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer, director or other person designated by such corporation as its agent for such purpose, any partner of such partnership, any individual beneficiary, trustee or other designated agent of such trust or any individual manager or agent of such other legal entity, shall be eligible to serve as a member of the Board, if such person resides on the Property, except that a Board member nominated by the Declarant need not reside on the Property.

2. Association. The beneficiaries of the aforesaid Trust No. 21825, upon the sale of one or more Units, and prior to the election of the first Board of Managers, and the Board of Managers at any time thereafter, may cause to be incorporated a not-for-profit corporation under the General Not For Profit Corporation Act of the State of Illinois, to be called "Harbor Ridge Condominium No. Association" or a name similar thereto, which corporation (herein referred to as the "Association") shall be the governing body for all the Owners for the maintenance, repair, replacement, administration and operation of the Property. The Board of Directors of the Association shall be deemed to be the "Board of Managers" referred to herein and in the Condominium Property Act. Upon the formation of such Association, every Owner shall be a member therein, which membership shall automatically terminate upon the sale, transfer or other disposition by such member of his Unit Ownership, at which time the new Owner shall automatically become a member therein.

3. Voting Rights. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a "voting member". Such voting member may be the

Owner or one of the group composed of all the Owners of a Unit Ownership, or may be some person designated by such Owner or Owners to act as proxy 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 actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Owner or Owners. Any or all of such Owners may be present at any meeting of the voting members and (those constituting a group acting unanimously) may vote or take any other action as a voting member either in person or by proxy. The total number of votes of all voting members shall be 100, and each Owner or group of Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set forth in Exhibit "C". Declarant shall be the voting member with respect to any Unit Ownership owned by Declarant.

4. Meetings. (a) Meetings of the voting members shall be held at the Property or at such other place in Lake County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members having a majority of the total votes shall constitute a quorum. 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.

(b) Annual Meeting. The initial meeting of the voting members shall be held upon ten (10) days' written notice given by the Declarant. Such written notice may be given at any time after at least 75% of the Units are occupied, but must be given not later than sixty (60) days after all of the Units (including added Units pursuant to Article XIV hereof) are occupied. The formation of the Association by the Declarant shall not require Declarant to

call the initial meeting of the voting members any earlier than provided in the preceding sentence. Thereafter, there shall be an annual meeting of the voting members on the first Tuesday of October following such initial meeting, and on the first Tuesday of October of each succeeding year thereafter at 7:30 p.m., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the voting members not less than ten (10) days prior to the date fixed for said meeting.

(c) Special Meetings. Special meetings of the voting members may be called at any time for the purpose of considering matters which, by the terms of this Declaration, require the approval of all or some of the voting members, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board, or by the voting members having one-fourth (1/4) of the total votes and delivered not less than ten (10) 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.

5. Notices of Meetings. Notices of meetings required to be given herein may be delivered either personally or by mail to the persons entitled to vote at such meeting, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Unit of the Owner with respect to which such voting right appertains, if no address has been given to the Board.

6. Board of Managers (Board of Directors). (a) At the initial meeting the voting members shall elect a Board of Managers. In all elections for members of the Board of Managers, each voting member shall be entitled to vote on a cumulative voting

basis and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At the first annual meeting the five (5) Board members shall be elected for a term of one (1) year. The voting members having at least two-thirds (2/3) of the total votes may from time to time increase or decrease such number of persons on the Board or may increase or decrease the term of office of Board members at any annual or special meeting, provided that such number shall not be less than three (3), and that the terms of the persons on the Board shall not be longer than two years. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the voting members having two-thirds (2/3) of the total votes. Vacancies in the Board, including vacancies due to any increase in the number of persons on the Board, may be filled by unanimous vote of the remaining members thereof or by majority vote of the voting members present at a special meeting of the voting members called for such purpose. Except as otherwise provided in this Declaration, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt. A majority of the total number of members on the Board shall constitute a quorum.

(b) The Board shall elect from among its members a President, who shall preside over both its meetings and those of the voting members and shall be the chief executive officer of the Board and the Association, a Secretary who shall keep the minutes of all meetings of the Board and of the voting members and shall, in general, perform all the duties incident to the office of Secretary, a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect.

(c) Any Board member may be removed from office by affirmative vote of the voting members having at least two-thirds (2/3) of the total votes, at any special meeting 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 any subsequent meeting called for that purpose.

(d) An annual meeting of the Board shall be held immediately following the annual meeting of the voting members and at the same place. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice in writing to each director, delivered personally or by mail or telegram. Any director 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.

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

(a) To elect the officers of the Association as hereinabove provided;

(b) To administer the affairs of the Association and the Property;

(c) To engage the services of a manager or managing agent who shall manage and operate the Property and the Common Elements thereof for all of the Owners, upon such terms and for such compensation and with such authority as the Board may approve (subject to Article V, Section 8(n) and Article XII, Section 1 below);

(d) To formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(e) To adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) To provide for the maintenance, repair and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;

(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 such powers to the manager or managing agent (and any such employees or other personnel may be the employees of the managing agent);

(h) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses, as hereinafter provided;

(i) To comply with the instructions of a majority of the Owners (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 Owners; and

(j) To exercise all other powers and duties of the Board of Managers or Owners as a group referred to in the Act, and all powers and duties of a Board of Managers referred to in this Declaration.

8. Specific Powers of the Board. The Board (or the Managing agent on behalf of the Board) for the benefit of all the

Owners, shall acquire and shall pay for out of the maintenance fund hereinafter provided for, the following:

(a) Water, waste removal, professional management fees, electricity and telephone and other necessary utility services for the Common Elements and (if not separately metered or charged) for the Units.

(b) Insurance for the Property insuring the Common Elements and the Units against loss or damage by fire, lightning, removal from premises, vandalism, malicious mischief, perils covered by extended coverage, explosion of boilers and such other hazards as the Board may deem desirable, for not less than full insurable replacement cost (to be determined from time to time by the Board) and providing for payment of common expenses with respect to damaged Units during the period of reconstruction thereof. Premiums for such insurance and appraisal fees in connection with such determinations of full insurable replacement cost shall be common expenses. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the members of the Board as trustees for each of the Owners in their respective percentages of ownership interest in the Common Elements as established in Exhibit "C". Such policies shall be without contribution as respects other such policies carried individually by the Owners. The Board shall promptly renew such policies to avoid any lapse in coverage and shall notify the mortgagee of each Unit Ownership of each premium payment within ten (10) days after the date of payment. Such policies shall contain an endorsement to the effect that such policy shall not be terminated for non-payment of premiums without at least ten (10) days' prior written notice to the mortgagee of each Unit.

The Board may engage the services of any bank or trust company authorized to do trust business in Illinois, and having a

capital of not less than \$5,000,000, to act as trustee, agent or depositary on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of the Act and this Declaration. The fees of such corporate trustee shall be Common Expenses. In the event of any loss in excess of \$20,000 in the aggregate, the Board shall engage a corporate trustee as aforesaid, or in the event of any loss resulting in the destruction of the major portion of one or more Units, the Board shall engage a corporate trustee as aforesaid upon the written demand of the mortgagee or owner of any Unit so destroyed. 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 Building, or shall be otherwise disposed of, in accordance with the provisions of this 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 contained, at all times be subject to the provisions in the Act with respect to the application of insurance proceeds to reconstruction of the Building. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of release from the Board of the company's liability under such policy shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which such proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

(c) Comprehensive public liability and property damage insurance in such limits (not less than \$1,000,000 combined single

limit for bodily injury and property damage) as the Board shall deem desirable, insuring the members of the Board, the managing agent, if any, their agents and employees and the Owners including Declarant from any liability in connection with the Common Elements or the streets, sidewalks and public spaces adjoining the Property. Such insurance coverage shall also cover cross liability claims of one insured against another.

(d) Workmen's Compensation insurance as may be necessary to comply with applicable laws and such other forms of insurance as the Board in its judgment shall elect to effect.

(e) The services of any person or firm employed by the Board. The Board may employ the services of any person or firm to act on behalf of the Owners in connection with real estate taxes and special assessments on the Unit Ownerships, and in connection with any other matter where the respective interests of the Owners are deemed by the Board to be similar and non-adverse to each other. The cost of such services shall be common expenses.

(f) Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the interior surfaces of the Units and of the doors and windows appurtenant thereto, which the Owners shall paint, clean, decorate, maintain and repair) and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the Common Elements.

(g) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board is required to secure or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as a first class condominium development or for the enforcement of these restrictions.

(h) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Property or any part thereof which may in the opinion of the Board constitute a lien against the Property or against the Common Elements, rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Owner or Owners.

(i) 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 Building, and 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 one of said Owner or Owners, provided that the Board shall levy a special assessment against such Owner or Owners for the cost of said maintenance or repair.

(j) The Board or its agents may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible. The Board or its agents may likewise enter any balcony or patio for maintenance, repairs, construction or painting. Such entry shall be made upon such notice and 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.

(k) 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 structural alterations, capital additions or improvements (other than for purposes of replacing or restoring portions of the Common Elements, subject to

all the provisions of this Declaration) requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00), without in each case the prior approval of the voting members holding two-thirds (2/3) of the total votes.

(l) All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board.

(m) The Board, at the direction of the voting members having two-thirds (2/3) of the total votes, 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 the Property; provided, however, that rules and regulations for the Parking Area and the Storage Area may be adopted by the Board without direction from any of the voting members. 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.

(n) From time to time prior to December 31, 1982 the Declarant or the beneficiaries of the aforesaid Trust No. 21825 may designate the manager or managing agent to be employed by the Board under management contract to expire on or before December 31, 1985.

(o) The Board may elect to have the cost of any or all of the goods and services furnished by the Board assessed specially to each Owner in proportion to his use of or benefit from such goods and services.

(p) Prior to the election of the first Board, the Declarant, acting as the Board of Managers on behalf of all the Owners, shall have the authority to lease or to grant easements, licenses or concessions with respect to any part of the Common Elements, subject to the terms of this Declaration. Upon election of the first Board, and thereafter, the Board by vote of at least two-thirds (2/3) of the persons on the Board shall have the same authority as aforesaid.

(q) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the Owners or any of them.

9. Liability of the Board of Managers. The members of the Board of Managers, and the Declarant, shall not be personally liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith as such Board members, or acting as the Board. The Owners shall indemnify and hold harmless each of the members of the Board of Managers, and the Declarant against all contractual liability to others arising out of contracts made by the Board of Managers or the Declarant on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. It is also intended that the liability of any Owner arising out of any contract made by the Board of Managers or the Declarant, or out of the aforesaid indemnity in favor of the members of the Board of Managers and the Declarant, shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all the Owners in the Common Elements. Every agreement made by the Board of Managers, Declarant or by the managing agent on behalf of the Owners shall provide that the members of the Board of Managers, Declarant or the managing agent, as the case may be, 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 his percentage of interest in the Common Elements bears to the total percentage interest of all Owners in the Common Elements.

ARTICLE VI

ASSESSMENTS - MAINTENANCE FUND

1. Each year on or before December 1st, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall on or before December 15th notify each Owner in writing as to the amount of such estimate, with reasonable itemization thereof. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the Common Elements. Said "estimated cash requirement" shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Elements as set forth in Exhibit "C" attached hereto. 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, shall be personally liable for and obligated to pay to the Board (or the managing agent on behalf of the Board) or as it may direct, one-twelfth (1/12) of the assessments made pursuant to this paragraph. On or before April 1st of each calendar year following the initial meeting, the Board shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net

amount over or short of the actual expenditures plus reserves. Such accounting shall be prepared by a certified public accountant. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Owner's percentage of ownership in the Common Elements to the next monthly installments due from Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Owner's percentage of ownership in the Common Elements to the installments due in the succeeding six months after rendering of the accounting.

2. The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a further assessment, which shall be assessed to the Owners according to each Owner's percentage ownership in the Common Elements. The Board shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount.

3. When the first Board elected hereunder takes office, it shall determine the "estimated cash requirement", as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31 of the calendar year in which said election occurs. Assessments shall be levied against the Owners during said period as provided in paragraph 1 of this Article.

4. The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

5. The Board shall keep full and correct books of account 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. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representative of any Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

6. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the 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 percentage set forth in Exhibit "C".

7. If an Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board may bring suit for and on behalf of themselves and as representatives 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 to be fixed by the Court. To the extent permitted by any decision or any 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. Said lien shall take effect and be in force when and as provided in the "Condominium Property Act" of Illinois; provided, however, that encumbrances owned or held by any bank, insurance company or savings and loan association shall be subject as to priority after written notice to said encumbrancer of unpaid common expenses only to the lien of all common expenses on the encumbered Unit Ownership which become due and payable subsequent to the date said encumbrancer either takes possession of the units, accepts a conveyance of any interest in the Unit Ownership, or has a receiver appointed in a suit to foreclose his lien. Any encumbrancer may from time to time request in writing a written statement from the Board setting forth the unpaid common expenses with respect to the Unit covered by his encumbrance.

8. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuser of the Common Elements or abandonment of his Unit.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

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

1. No part of the Property shall be used for other than housing and related common purposes for which the Property was designed. Each Unit or any two or more adjoining Units used together shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purpose. That part of the Common Elements separating any two or more adjoining Units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining Units in such manner and upon such conditions as shall be determined by the Board in writing.

2. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Board except as hereinafter expressly provided. Each Owner shall be obligated to maintain and keep in good order and repair his own Unit.

3. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Building or contents thereof, applicable for residential use, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No waste shall be committed in the Common Elements.

4. Each Owner shall be responsible for his own insurance on his personal property in his own Unit, his personal property stored elsewhere on the Property and his personal liability to the

extent not covered by the liability insurance for all the Owners obtained by the Board as hereinbefore provided.

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

6. The use and the covering of the interior surfaces of the windows and glass doors appurtenant to the Units in the Building, whether by draperies, shades or other items visible from the exterior of the Building, shall be subject to the rules and regulations of the Board.

7. In order to enhance the soundproofing of the Building the floor-covering for all occupied Units shall meet the minimum standard as may be specified by rules and regulations of the Board.

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

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

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

11. 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 rubbish, debris and other unsightly materials.

12. There shall be no playing, lounging, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the Common Elements except that baby carriages, bicycles and other personal property may be stored in any common storage area designated for that purpose, and balcony and patio areas may be used for their intended purposes.

13. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted in any Unit.

14. No "For Sale" or "For Rent" signs, advertising or other displays (except by Declarant) shall be maintained or permitted on any part of the Property or on the grounds surrounding the Property.

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

16. The Unit restrictions in paragraphs 1 and 13 of this Article VII shall not, however, be construed in such a manner as to prohibit an Owner from: (a) maintaining his personal professional library therein; (b) keeping his personal business or professional records or accounts therein; or (c) handling his personal business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to the principal residential use and not in violation of paragraphs 1 or 13 of this Article VII.

17. That part of the Common Elements identified in Exhibit B as Parking Area shall be used by the Owners for parking purposes, subject to the exclusive rights of the respective Owners.

ARTICLE VIII

SALE, LEASING OR OTHER ALIENATION

1. Sale or Lease. Any Owner other than the Declarant who wishes to sell or lease his Unit Ownership (or any lessee of any Unit wishing to assign or sublease such Unit) shall give to the Board not less than thirty (30) days' prior written notice of the terms of any contemplated sale or lease, together with the name, address and financial and character references of the proposed purchaser or lessee and such other information concerning the proposed purchaser or lessee as the Board may reasonably require. Except as provided in paragraph 10 of this Article, the members of the Board acting on behalf of the other Owners shall at all times have the first right and option to purchase or lease such Unit Ownership upon the same terms, which option shall be exercisable for a period of thirty (30) days following the date of receipt of such notice. If said option is not exercised by the Board within said thirty (30) days, the Owner (or lessee) may, at the expiration of said thirty-day period and at any time within sixty (60) days after the expiration of said period, contract to sell or lease (or sublease or assign) such Unit Ownership to the proposed purchaser or lessee named in such notice upon the terms specified therein. If the Owner (or lessee) fails to close said proposed sale or lease transaction within ninety (90) days after the date of such contract, the Unit Ownership shall again become subject to the Board's right of first refusal as herein provided.

2. Gift. Any Owner other than the Declarant who wishes to make a gift of his Unit Ownership or any interest therein shall give to the Board not less than ninety (90) days' written notice of his or her intent to make such gift prior to the contemplated date thereof, together with the name, address and financial and character references of the intended donee, the contemplated date

of such gift and such other information concerning the intended donee as the Board may reasonably require. Except as provided in paragraph 10 of this Article, the members of the Board acting on behalf of the other Owners shall at all times have the first right and option to purchase such Unit Ownership or interest therein for cash at fair market value to be determined by appraisal as herein provided, which option shall be exercisable until the date of expiration as provided herein. Within fifteen (15) days after receipt of said written notice by the Board, the Board and the Owner desiring to make such gift shall each appoint a qualified real estate appraiser to act as appraisers. The two appraisers so appointed shall, within ten (10) days after their appointment, appoint another qualified real estate appraiser to act as the third appraiser. Within fifteen (15) days after the appointment of said third appraiser, the three appraisers shall determine, by majority vote, the fair market value of the Unit Ownership or interest therein which the Owner contemplates conveying by gift, and shall thereupon give written notice of such determination to the Owner and the Board. If either party shall fail to select an appraiser, then the appraiser designated by the other party shall make the appraisal. If the appraisers shall fail to make their appraisal within the time specified herein, the appraisal shall be held under the Rules of the American Arbitration Association. The Board's option to purchase the Unit Ownership or interest therein shall expire forty-five (45) days after the date of receipt by it of written notice of such determination of fair market value.

3. Devise. In the event any Owner dies leaving a will devising his Unit Ownership, or any interest therein, and said will is admitted to probate, the members of the Board acting on behalf of the other Owners, shall (except as provided in paragraph 10 of this Article) have a like option (to be exercised in the manner

hereinafter set forth) to purchase said Unit Ownership, or interest therein, either from the devisee or devisees thereof named in said will, or if a power of sale is conferred by said will upon the personal representative named therein, from the personal representative acting pursuant to said power, for cash at fair market value which is to be determined by appraisement as herein provided. Within sixty (60) days after the appointment of a personal representative for the estate of the deceased Owner, the Board shall appoint a qualified real estate appraiser to act as an appraiser, and shall thereupon give written notice of such appointment to the said devisee or devisees or personal representative, as the case may be. Within fifteen (15) days thereafter said devisee or devisees, or personal representative, as the case may be, shall appoint a qualified real estate appraiser to act as an appraiser. Within ten (10) days after the appointment of said appraiser, the two so appointed shall appoint another qualified real estate appraiser to act as the third appraiser. Within fifteen (15) days thereafter, the three appraisers shall determine, by majority vote, the fair market value of the Unit Ownership, or interest therein, devised by the deceased Owner, and shall thereupon give written notice of such determination to the Board and said devisee or devisees, or personal representative, as the case may be. If either party shall fail to select an appraiser, then the appraiser designated by the other party shall make the appraisal. If the appraisers shall fail to make their appraisal within the time specified herein, the appraisement shall be held under the Rules of the American Arbitration Association. The Board's right to purchase the Unit Ownership, or interest therein, at the price determined by the three appraisers shall expire sixty (60) days after the date of receipt by it of such notice if the personal representative of the deceased Owner is empowered to sell, and shall expire seven (7) months after the appointment of a personal representative who is not so empowered to sell. The Board

shall be deemed to have exercised its option if it tenders the required sum of money to said devisee or devisees or to said personal representative, as the case may be, within the said option periods.

4. Involuntary Sale. (a) In the event any Unit Ownership or interest therein is sold at a judicial or execution sale (other than a mortgage foreclosure sale) the person acquiring title through such sale shall, before taking possession of the Unit so sold, give thirty (30) days' written notice to the Board of his intention so to do, whereupon members of the Board acting on behalf of the other Owners shall (except as provided in paragraph 10 of this Article) have an irrevocable option to purchase such Unit Ownership or interest therein at the same price for which it was sold at said sale. If said option is not exercised by the Board within said thirty (30) days after receipt of such notice, it shall thereupon expire and said purchaser may thereafter take possession of said Unit. The Board shall be deemed to have exercised its option if it tenders the required sum of money to the purchaser within said thirty (30) day period.

(b) In the event any Owner shall default in the payment of any monies required to be paid under the provisions of any mortgage or trust deed against his Unit Ownership, the Board shall have the right to cure such default by paying the amount so owing to the party entitled thereto and shall thereupon have a lien therefor against such Unit Ownership, which lien shall have the same force and effect and may be enforced in the same manner as provided in Article VI hereof.

5. Consent of Voting Members. The Board shall not exercise any option hereinabove set forth to purchase or lease any Unit Ownership or interest therein without the prior written consent of the voting members having 66-2/3% of the total votes. The

members of the Board or their duly authorized representatives, acting on behalf of the other Owners, may bid to purchase at any sale of a Unit Ownership or interest therein of any Owner living or deceased, which said sale is held pursuant to an order or direction of a court, upon the prior written consent of the voting members having 66-2/3% of the total votes, which said consent shall set forth a maximum price which the members of the Board or their duly authorized representatives are authorized to bid and pay for said Unit Ownership or interest therein.

6. Release or Waiver of Option. Upon the written consent of at least two-thirds (2/3) of the Board members, any of the options contained in this Article VIII may be released or waived and the Unit Ownership or interest therein which is subject to an option set forth in this Article may be sold, conveyed, leased, given or devised free and clear of the provisions of this Article.

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

8. Financing of Purchase Under Option. (a) Acquisition of Unit Ownerships or any interest therein under the provisions of this Article shall be made from the maintenance fund. If said fund is insufficient, the Board shall levy an assessment against each Owner in the ratio that his percentage of ownership in the Common Elements as set forth in Exhibit "C" bears to the total of all such percentages applicable to Units subject to said assessment, which

assessment shall become a lien and be enforceable in the same manner as provided in paragraph 7 of Article VI hereof.

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

9. Title to Acquired Interest. Unit Ownerships or interests therein acquired pursuant to the terms of this Article shall be held of record in the name of the members of the Board of Managers and their successors in office, or such nominee as they shall designate, for the benefit of all the Owners. Said Unit Ownerships or interests therein shall be sold or leased by the members of the Board in such manner as the Board shall determine without complying with the foregoing provisions relating to the Board's right of first refusal. All proceeds of such sale and/or leasing shall be deposited in the maintenance fund and credited to each Owner in the same proportion in which the Board could levy a special assessment under the terms of paragraph 8(a) of this Article.

10. Exceptions to Board's Right of First Refusal. The Board's right of first refusal as provided in Sections 1, 2 and 3 of this Article VIII shall not be applicable to:

(a) the transfer or conveyance, by operation of law or otherwise, of the interest of a co-owner of any unit, to any other co-owner of the same unit, where such co-owners hold title to such unit as tenants in common or as joint tenants.

(b) the transfer by sale, lease, gift, devise or otherwise of any unit of interest therein to or for the sole benefit of any spouse, descendant, ancestor or sibling (or the spouse of any such person) of the transferor.

(c) the execution of a bona fide trust deed, mortgage, or other security instruments.

(d) the sale, conveyance or leasing of a unit by the holder of a mortgage or trust deed who has acquired title to such unit by foreclosure of a mortgage or trust deed on the Property, or any unit, existing on the date of this Declaration or in which the mortgagor is the Trustee.

(e) any sale, conveyance, lease or transfer of a unit by the Declarant, or any beneficiary of the Declarant.

11. Responsibility of 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.

ARTICLE IX

DAMAGE OR DESTRUCTION AND RESTORATION OF BUILDINGS

1. 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 and 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, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event, within forty-five (45) days after said damage or destruction, the Owners elect either to sell the Property as provided in Article X hereof or to withdraw the Property from the provisions

of this Declaration, and from the provisions of the Condominium Property Act of the State of Illinois (the "Act") as therein provided, then such repair, restoration or reconstruction 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 his Unit, in the order of the priority of such liens. In the event the Owners elect to sell or withdraw the Property, as aforesaid, they shall, before selling or committing to sell or withdrawing the Property, give to the "Homeowners Association" (as defined in Article XIII, Section 3 hereof) simultaneous notices in writing of the terms of any contemplated sale or of their intention to withdraw the Property from the provisions of this Declaration and from the provisions of the Act. The Homeowners Association and the Declarant shall thereupon have a first right and option to purchase the Property, which option shall be exercisable by whichever of them shall first act for a period following the date of its receipt of such notice of forty-five (45) days in the case of a contemplated sale, or of ninety (90) days in the case of a contemplated withdrawal of the Property from the provisions of the Declaration and the Act. Such option shall be exercisable upon the same terms as the contemplated sale or, in the case of proposed withdrawal of the Property from the provisions of this Declaration and the Act, at fair market value of the Property to be determined by appraisement. Within fifteen (15) days after service of written notice that withdrawal of the Property is contemplated by the Owners, the parties shall appoint qualified real estate appraisers to act as appraisers, one such appraiser to be appointed by the Owners and one such appraiser to be appointed by the Declarant and the Homeowners

Association. The two appraisers so appointed shall, within ten (10) days after their appointment, appoint another qualified real estate appraiser to act as the third appraiser. Within fifteen (15) days after the appointment of said third appraiser, the three appraisers shall determine, by majority vote, the fair market value of the Property and shall give written notice of such determination to the parties. If either the Owners or the other parties shall fail to select an appraiser, then the appraiser designated by the other of them shall make the appraisal. If the appraisers shall fail to make their appraisal within the time specified, the appraisal shall be held under the Rules of the American Arbitration Association. The time within which the aforesaid option to purchase the Property may be exercised shall be extended beyond ninety (90) days from the date of receipt of such notice of proposed withdrawal of the Property by the number of days, if any, that the actual time for such appraisal exceeds the total time specified hereinabove for such appraisal.

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

3. Substantial Restoration. 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.

ARTICLE X
SALE OF THE PROPERTY

The Owners by affirmative vote of at least 75% of the total vote, at a meeting of voting members duly called for such purpose, may elect to sell the Property as a whole; provided, however, that the Homeowners Association and the Declarant shall be given thirty (30) days' prior written notice of the terms of any contemplated sale and shall thereupon have a first right and option to purchase the Property upon the same terms exercisable within such thirty (30) days by whichever of them shall first act. Within ten (10) days after the date of the meeting at which such sale was approved the Board shall give written notice of such action to the holder of any duly recorded mortgage or trust deed against any Unit Ownership entitled to notice under Section 2 of Article XII of this Declaration. 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 has filed written objection thereto with the Board within twenty (20) days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the value of his 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 so selected, shall select a third, and the fair market value, as determined by a majority of the three so selected, shall control. If either party shall fail to select an appraiser, then the one designated by the other party shall make the appraisal.

ARTICLE XI

REMEDIES FOR BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

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

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

Declaration or the regulations adopted by the Board, and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall reoccur more than once after such notice, then the Board shall have the power to issue to the defaulting Owner a ten-day notice in writing to terminate the rights of said defaulting Owner to continue as an Owner and to continue to occupy, use or control his Unit, and thereupon an action in equity may be filed by the members of the Board against the 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 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, except that the court shall enjoin and restrain the defaulting Owner from reacquiring his interest in the Property at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the 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 at such sale shall thereupon be entitled to a deed to the Unit Ownership and, subject to the Board's right as provided in Section 4, Article VIII hereof, to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

ARTICLE XII

GENERAL PROVISIONS

1. Trust Beneficiaries' Initial Rights. Until such time as the Board of Managers provided for in this Declaration is formed, and until such time thereafter as Declarant shall have consummated the sale of Unit Ownerships aggregating seventy-five percent (75%) of all Unit Ownerships computed as set forth in Exhibit "C" attached hereto, the beneficiaries of the aforesaid Trust No. 21825 shall exercise the powers, rights, duties and functions of the Board of Managers and Association, and such beneficiaries shall have the further right, anything herein to the contrary notwithstanding, to designate the manager(s) or managing agent(s) to operate the Property and the Common Elements thereof for all the Owners through December 31, 1985. Thereafter, the Board shall employ the manager or managing agent in accordance with Article V, Section 7(c) above.

The beneficiaries of the aforesaid Trust No. 21825 also shall have initial rights (set forth in Article XIII, Section 8) with respect to roads, walkways, landscaped areas and common facilities to be conveyed to the "Harbor Ridge Homeowners Association" pursuant to Article XIII, Section 2, hereof and with respect to the management of said Homeowners Association.

2. Notices to Mortgage Lenders. Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any Unit Ownership shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Owner whose Unit Ownership is subject to such mortgage or trust deed.

3. Waiver of Damages. Each Owner hereby waives and releases any and all claims which he may have against any other Owner, Occupant, the Association, its officers, members of the Board, the Homeowners Association, the Declarant, its beneficiaries, 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 insurance or other form of casualty insurance. Neither the Declarant, nor its beneficiaries, nor their respective representatives or designees, shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities granted to or delegated to it by or pursuant to this Declaration, or in the Declarant's (or its beneficiaries' or their respective representatives' or designees') capacity as developer, contractor, Owner, manager or seller of the Property, whether or not such claim (a) shall be asserted by any Owner, Occupant, the Board or the Association, or by any person or entity claiming through any of them; or (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 contractu 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.).

4. Notices to Board or Association. Notices required to be given to said Board or the Association may be delivered to any member of the Board or officer of the Association, either personally, or by mail, addressed to such member or officer at his Unit. The Association or Board may designate a different address or addresses

for notices to them, respectively, by giving written notice of such change of address to all Owners. Any Owner may also designate a different address for notices to him by giving written notice of his change of address to the Board or Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail or when delivered in person with written acknowledgment of the receipt thereof, or, if addressed to an Owner, when deposited in his mailbox in the Building or at the door of his Unit in the Building.

5. Notices to Devisees and Personal Representatives.

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

6. Covenants to Run With Land. Each grantee of the Declarant, by the acceptance of a deed of conveyance, or each purchaser under Articles of Agreement for Trustee's Deed, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all right, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in the Property, and shall inure to the benefit of such Owner in like manner as though the provisions of the Declaration were recited and stipulated at length in each and every deed of conveyance.

7. Non-Waiver of Covenants. 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.

8. Amendments to Declaration. The provisions of Article III, Article VI, paragraph 5 of Article VIII, and this paragraph 8 of Article XII of this Declaration, may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the Board, all of the Owners and all mortgagees having bona fide liens of record against any Unit Ownerships. Other provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the Board, the Owners having at least 2/3rds of the total vote and containing an affidavit by an officer of the Board certifying that a copy of the change, modification or rescission has been mailed by certified mail to all mortgagees having bona fide liens of record against any Unit Ownership, not less than ten (10) days prior to the date of such affidavit. The change, modification or rescission shall be effective upon recordation of such instrument in the Office of the Recorder of Deeds of Cook County, Illinois; provided, however, that no provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act. Anything contained herein to the contrary notwithstanding, this Declaration may be changed and modified in accordance with Article XIV hereof.

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

10. Perpetuities; Restraints on Alienation. If any of the options, privileges, covenants, or rights created by this

Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provisions, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one years after the death of the survivor of the now living lawful descendants of the present incumbent Mayor of the City of Chicago and the present incumbent President of the United States.

11. Construction to Effectuate Purpose. 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 development.

12. Ownership by Trust. In the event title to any Unit Ownership is conveyed to a land title-holding trust, under the terms of which all powers of management, operation and control of the Unit Ownership remain vested in the trust beneficiary or beneficiaries, then the Unit Ownership under such trust and the beneficiaries thereunder from time to time shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit Ownership. No claim shall be made against any such 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 transfer of beneficial interest in any such trust or any transfer of title of such Unit Ownership. In the event title to any Unit Ownership is held by a land title-holding trust or corporation, the names and addresses of the beneficiaries of such trust and the stockholders of such corporation shall at all times be disclosed to the Board.

ARTICLE XIII

DEVELOPMENT PROPERTY

1. Other Condominiums. The Declarant (or its beneficiaries) intends to develop, as condominiums, other parcels of real estate, including the Parcel, all of which are or will be located within the area legally described as follows:

Residential Areas 1-A, 1-B, 1-C, 1-D, 1-E, 2-A, 2-B, 2-C, 2-D, 3-A, 3-B, 3-C, 3-D, 3-E, 3-F, 3-G and 3-H, all as shown on "Antioch Country Club Final Development Plan", recorded in the Office of the Recorder of Deeds of Lake County, Illinois, on September 10, 1975, as Document No. 1728016 as amended on MAY 13, 1977
AS DOCUMENT NO. 1814768.

(hereinafter referred to as the "Development Property"), and intends to submit some of said parcels to the provisions of the Condominium Property Act of the State of Illinois.

2. Common Areas. The Declarant (or its beneficiaries) may select one or more separate parcels of real estate in the Development Property, and to cause said separate parcel or parcels of real estate to be conveyed to an Illinois not-for-profit corporation, to be known as "Harbor Ridge Homeowners Association" (or a name similar thereto), which real estate will contain roads, walkways, landscaped areas and other common facilities for improved areas within the Development Property, and the Declarant has selected a parcel of real estate to serve as a roadway system to serve the Development Property and other real estate, as set forth in Declaration of Easements, Covenants and Restrictions recorded as Document No. _____, to be conveyed in accordance with and subject to the terms thereof.

3. Homeowners Association. There has heretofore been created or shall hereafter be created an Illinois not-for-profit

corporation having the name "Harbor Ridge Homeowners Association" (the "Homeowners Association") or a similar name, for the purpose of providing certain maintenance and other services for the benefit of all Persons having an interest in the Development Property. Such Persons having an interest in the Development Property shall be members of the Homeowners Association as provided in Declaration of Easements, Covenants and Restrictions recorded as Document No. _____, which membership shall terminate as therein provided. Each Owner and Occupant agrees to be bound by and observe the terms and provisions of the said Declaration of Easements, Covenants and Restrictions, the Homeowners Association's Articles of Incorporation, its By-Laws and the rules and regulations promulgated from time to time by the Homeowners Association, its Board of Directors and Officers, and the terms and provisions of any other declaration of rights, easements, covenants and restrictions that has heretofore or which may hereafter be recorded or filed with respect to the road system and recreational and common areas in the Development Property.

4. Board of Directors. The Board of Directors of the Homeowners Association shall be five in number unless the number shall be changed in accordance with the Articles of Incorporation and By-Laws of the Homeowners Association.

5. Common Facilities and Maintenance. The Articles of Incorporation, or By-Laws, or the rules and regulations of the Homeowners Association shall contain provisions for the maintenance, insurance, upkeep, repair, landscaping, materials, labor, supplies, furniture, structural alterations, services, gardening, cleaning, replacement and taxation of the roadways, walkways, exterior parking areas not submitted to Condominium ownership, the road system, underground improvements, landscaped areas and all other areas

available for the common use of all Persons having an interest in the Development Property and other Persons, and for the levying of assessments on all such Persons having an interest in the Development Property only for the purpose of providing such monies as and when required from time to time for such purposes. It is specifically understood that the beneficiaries of the aforesaid Trust No. 21825 shall pay the proportionate share of any such assessments or expenses allocated to such beneficiaries as provided in the said Declaration of Easements, Covenants and Restrictions.

6. Sale of a Building. In the event that any one of the buildings contained within the Development Property shall be submitted to the Condominium Act but shall be sold as a whole as provided in Article X hereof, the purchaser or purchasers acquiring such building so sold shall become members of the Homeowners Association; provided, however, that said purchaser or purchasers shall not own or control nor hold any interest in the Homeowners Association in excess of that share thereof to which all Units in such building so sold would otherwise be entitled if not so sold.

7. Future Easements. The Declarant and the Homeowners Association are each hereby expressly authorized, and the Declarant does hereby expressly reserve the right to execute and cause to be recorded with the Lake County Recorder of Deeds such easements, agreements, and rights of way which the Declarant (or its beneficiaries) or the Homeowners Association may deem necessary in order to provide or permit and afford ingress and egress with respect to any part of the real estate located within the Development Property designed or utilized for the aforesaid common facilities or to be used for the common benefit of the Owners of all Units in all of the Condominiums comprising the Development Property.

8. Declarant's Initial Rights. Notwithstanding any other provision herein contained to the contrary, until such time as the conveyance to the Homeowners Association provided in Section 4.02 of Article IV of said Declaration of Easements, Covenants and Restrictions and in Section 2 of this Article XIII has been made, and while any residential unit built or intended to be built on the Development Property remains unbuilt or unsold, the beneficiaries of said Trust No. 21825 (or their designees or assigns) shall exercise the powers, rights, duties and functions of the Board of Directors of the Homeowners Association. After such conveyance to the Homeowners Association but before all such residential units have been built and sold, said beneficiaries shall have the right to designate and elect the entire Board of Directors of the Homeowners Association, and the selection of the manager or managing agent of the Homeowners Association's property shall be subject to the approval of said beneficiaries.

ARTICLE XIV

ANNEXING ADDITIONAL PROPERTY

1. The Declarant and its beneficiaries reserve the right from time to time, within seven (7) years of the date of the recording of this Declaration, to annex and add to the Parcel and Property and thereby add to the condominium created by this Declaration, all or any portion of the Development Property. No rights of any character whatever within the Development Property attach to any Owner except as to that portion described on Exhibit "A" and except as to that portion described in any recorded Amended Declaration annexing and adding such portion to this Declaration as part of the condominium created by this Declaration.

2. In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant and its

beneficiaries or designees, and each of them singly, as attorney-in-fact, to shift the percentages of ownership in the Common Elements appurtenant to each Unit to the percentages set forth in each such Amended Declaration recorded pursuant to this Article XIV. Each deed, mortgage 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 each of said attorneys-in-fact and shall be deemed to reserve to each of them the power to shift and reallocate from time to time the percentages of ownership in the Common Elements appurtenant to each unit to the percentages set forth in each such recorded Amended Declaration.

3. Each Amended Declaration shall include an amended Exhibit "A" which shall amend Exhibit "A" hereto by setting forth the amended legal description of the Parcel to include the additional parcel or parcels annexed hereto, as well as a separate legal description of such addition. The Amended Declaration shall also contain a Plat showing the boundaries of such addition and of the entire Parcel as amended, and delineating the additional Units on such addition.

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

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

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

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

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

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

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

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

(d) the Units added by such Amended Declaration (hereinafter referred to as the "Added Units").

The value of each of the Added Units shall be added to the aggregate value of the Existing Units and the total thereof shall be deemed to be the new value of the Property as a whole. "Value" as used in this paragraph shall be determined by the Declarant or its beneficiaries or designees, and each of them singly, as of the date of the recording of the Amended Declaration. Such determination shall be conclusive and binding upon all Unit owners, mortgagees and other parties who then or in the future have any interest in the Property.

The percentages of undivided ownership interest, as amended and adjusted by such Amended Declaration, in the entire Common Elements, consisting of the Existing Common Elements plus the Added Common Elements, to be allocated among all the Units,

consisting of the Existing Units plus the Added Units, shall be computed by taking as a basis the value of each Unit in relation to the value of the Property as a whole, determined as aforesaid.

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

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

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

The recording of an Amended Declaration shall not alter or affect the amounts of any liens for common expenses due from any Existing Unit Owners prior to such recording, nor the respective amounts theretofore assessed to or due from Existing Unit Owners for common expenses or other assessments.

5. The lien of any mortgage encumbering any Existing Unit, together with its appurtenant percentage of undivided ownership interest in the Existing Common Elements, shall automatically be deemed to be adjusted and amended when an Amended Declaration is recorded, in accordance with the respective percentage of undivided ownership interest in the Common Elements for such Existing Unit as set forth in the amended Exhibit "C" attached to such Amended Declaration, and the lien of such mortgage shall automatically attach in such percentage to the Added Common Elements.

STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

I, LYNNE A. SONGER, a Notary Public
in and for the County and State aforesaid, DO HEREBY CERTIFY that
SALLIE J. VLOEDMAN TRUST OFFICER, Vice-President of
CENTRAL NATIONAL BANK IN CHICAGO, and CHARLES N. GOODNOW
VICE PRESIDENT
~~Assistant Secretary~~ thereof, personally known to me to be the same
persons whose names are subscribed to the foregoing instrument as
such VICE PRESIDENT and ~~Assistant Secretary~~ respectively, appeared
before me this day in person and acknowledged that they signed and
delivered the said instrument as their own free and voluntary act,
and as the free and voluntary act of said bank, for the uses and
purposes therein set forth; and the said VICE PRESIDENT ~~Assistant Secretary~~ did
also then and there acknowledge that he as custodian of the corpor-
ate seal of said bank did affix the corporate seal of said bank to
said instrument as his own free and voluntary act, and as the free
and voluntary act of said bank, for the uses and purposes therein
set forth.

GIVEN under my hand and Notarial Seal this 16th day of
May, A.D. 1978.

Lynne A. Songer
Notary Public

My commission expires

MY COMMISSION EXPIRES MARCH 14, 1982

this instrument was
prepared by
Tom SANTINO

return to

Tom SANTINO
c/o Harbor Ridge
40150 N. RTE 59
Antioch Illinois 60002

Declaration; that any and all obligations, duties, covenants and agreements of every nature herein set forth by CENTRAL NATIONAL BANK IN CHICAGO, as Trustee as aforesaid, to be kept and performed, are intended to be kept, performed and discharged by the beneficiaries under said Trust No. 21825, or their successors, and not by CENTRAL NATIONAL BANK IN CHICAGO personally; and further, that no duty shall rest upon CENTRAL NATIONAL BANK IN CHICAGO, either personally or as such Trustee, to sequester trust assets, rentals, avails or proceeds of any kind, or otherwise to see to the fulfillment or discharge of any obligation, express or implied, arising under the terms of this Declaration. In the event of conflict between the terms of this paragraph and of the remainder of the Declaration on any questions of apparent liability or obligation resting upon said Trustee, the exculpatory provision hereof shall be controlling.

IN WITNESS WHEREOF, the said CENTRAL NATIONAL BANK IN CHICAGO, as Trustee as aforesaid and not individually, has caused its corporate seal to be affixed hereunto and has caused its name to be signed to these presents by its ^{TRUST OFFICER} ~~Vice-President~~ and attested by its ^{SND VICE PRESIDENT} ~~Assistant Secretary~~, this 16th day of MAY, A.D. 1978.

CENTRAL NATIONAL BANK IN CHICAGO,
as Trustee as aforesaid and not
individually,

By: *Salcedo*
~~Vice-President~~
TRUST OFFICER

ATTEST:

dy y/for
~~Assistant Secretary~~
SND VICE PRESIDENT

EXHIBIT "C"

SCHEDULE OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

Unit 15A	12.081191%
Unit 16B	19.329904%
Unit 17B	19.329904%
Unit 18C	17.847906%
Unit 19B	19.329904%
Unit 20A	12.081191%

EXHIBIT A

That part of Residential Area 1-C as shown on "Antioch Country Club Final Development Plan", recorded in the Office of the Recorder of Deeds of Lake County, Illinois, on September 10, 1975 as Document 1728016, described as follows: Commencing at the North West corner of said residential area 1-C; thence South 03 degrees 22 minutes 52 seconds West along the West line thereof, 161.47 feet; thence South 86 degrees 37 minutes 08 seconds East, 23.03 feet to the point of beginning of this description; thence continuing South 86 degrees 37 minutes 08 seconds East 74.50 feet; thence South 03 degrees 22 minutes 52 seconds West, 197.33 feet; thence North 86 degrees 37 minutes 08 seconds West, 74.50 feet; thence North 03 degrees 22 minutes 52 seconds East, 197.33 feet to the point of beginning, in Lake County, Illinois.