

**DECLARATION
OF CONDOMINIUM
OWNERSHIP AND OF
EASEMENTS,
RESTRICTIONS, COVENANTS
AND BY-LAWS FOR
2423 WEST
HARRISON
CONDOMINIUM ASSOCIATION**

Cook County Recorder of Deeds

11083284

NOV 16 2001

THIS INSTRUMENT PREPARED BY

Daniel G. Lauer & Associates, P.C. 713-862-7200
1424 W. Division Street
Chicago, IL 60622-3322

**AFTER RECORDING DELIVER TO:
CTI-BOX #333**

THIS DECLARATION is made and entered by State Bank of Countryside, not individually but solely as Trustee under Trust #98-1888 dated March 19, 1998 (hereinafter referred to as the "Declarant");

WITNESSETH:

WHEREAS, the Declarant holds legal title to the parcel of real estate situated in the City of Chicago, Cook County, Illinois (hereinafter called the "Parcel") and legally described on Exhibit B attached hereto and by this reference made a part hereof;

WHEREAS, the Declarant desires and intends by this Declaration to submit the Property as hereinafter defined, to the provisions of the Condominium Property Act of the State of Illinois, as amended from time to time (hereinafter called the "Act"); and is further desirous of establishing, for its own benefit and that of all future owners or occupants of the Property, and each part thereof certain easements and rights in, over and upon the property and certain mutually beneficial restrictions and obligations with respect to the use and maintenance thereof;

WHEREAS, the name of the Condominium shall be the 2423 West Harrison Condominiums;

WHEREAS, the Declarant desires and intends 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 the 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; and

WHEREAS, the legal description of the Parcel, common address and PIN are as follows:

Legal Description:	Please see Exhibit B
Common Address:	2423 West Harrison Street Chicago, Illinois 60612
PIN:	16-13-403-012-0000

NOW THEREFORE, the Declarant, as the legal title holder of the Parcel, and for the purposes above set forth, DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS

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

- 1.01 **Association.** 2423 West Harrison Condominium Association, an Illinois not-for-profit Corporation.
- 1.02 **Board.** The parties determined pursuant to Article V hereof, and who are vested with the authority and responsibility of administering the Property.
- 1.03 **Building.** The building is located on the Parcel, forming a part of the Property and containing the Units, as shown by the surveys depicting the respective floors of said Building, and all structures attached or unattached, containing one or more units.
- 1.04 **By-Laws.** The provisions for the administration of the Property including, but not limited to, assessment, maintenance, use, occupancy, sale, leasing and alienation, all as hereinafter set forth, or as the same may be from time to time duly amended. Articles V, VI and VII hereof shall constitute the By-Laws of the Association.
- 1.05 **Common Elements.** The Common Elements are all portions of the Property except the Units, and include the Limited Common Elements, as is more specifically described in Section 3.01 hereof.
- 1.06 **Common Expenses.** The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board, including without limitation, the expenses of maintenance, repair, administration and operation of the Common Elements.
- 1.07 **Declaration.** This instrument by which the Property is submitted to the provisions of the Act, including such amendments, if any, to this instrument as may from time to time be adopted pursuant to the terms hereof.
- 1.08 **Declarant.** State Bank of Countryside, not individually but solely as Trustee under Trust #98-1888 dated March 19, 1998, its successors and or assigns.
- 1.09 **Developer.** PNS Enterprizes, Inc., an Illinois Corporation, its successors and or assigns and such other persons or entities as the Declarant may from time to time designate.
- 1.10 **Limited Common Elements.** The Limited Common Elements are the parts of the Common Elements that exclusively serve a single Unit or adjoining Units as inseparable appurtenances thereto, as determined by its nature or location, and/or as designated in this Declaration and/or on the Plat, as is hereinafter defined, and as is more specifically described in Section 3.03 hereof. For purposes of 2423 West Harrison Condominiums, Limited Common Elements shall include, but not be limited to, the surface Parking Spaces; the exclusive right to use such shall be assigned to the respective Unit Owners by deed as Limited Common Elements.
- 1.11 **Maintenance Fund.** All monies collected or received by the Board pursuant to the provisions of the Declaration.
- 1.12 **Majority of the Unit Owners.** Those Unit Owners, without regard to their number, who own more than fifty percent (50%) in the aggregate of the entire undivided ownership interest in the Common Elements. Any specified percentage of the Unit Owners shall mean those Unit Owners who, in the aggregate, own such specified percentage of the entire undivided ownership interest in the Common Elements.
- 1.13 **Occupant.** Person or persons, other than a Unit Owner, in possession of a Unit.

- 1.14 **Parcel.** The entire tract of real estate above described, submitted to the provisions of the Act.
- 1.15 **Parking Area.** The part of the Common Elements provided for parking purposes.
- 1.16 **Parking Space.** A part of the Property within the Parking Area intended for parking and constituting Limited Common Elements, or, should additional Parking Areas be designated by the Declarant, the Developer or the Board, part of the Common Elements.
- 1.17 **Person.** A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real estate.
- 1.18 **Plat.** The plats of survey of the Parcel and all of the Units in the Property submitted to the provisions of the Act, said Plat being attached hereto as "Exhibit A" and made a part hereof and recorded with the recording of this Declaration.
- 1.19 **Property.** All the property and space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon including the Building, and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, as hereinafter defined, submitted to the provisions of the Act.
- 1.20 **Reserves.** Those sums paid by Unit Owners which are separately maintained by the Board for purposes specified by the Board, the Declaration or the Act.
- 1.21 **Storage Area.** If any, the part of the Common Elements provided for storage purposes.
- 1.22 **Storage Space.** If any, a part of the Property within the Storage Area intended for storage and constituting Limited Common Elements, or, should additional Storage Areas be designated by the Declarant, the Developer or the Board, part of the Common Elements.
- 1.23 **Unit.** A part of the Property within the Building including one or more rooms, occupying one or more floors or a part or parts thereof and more specifically described hereafter in Article II.
- 1.24 **Unit Owner.** The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit Ownership.
- 1.25 **Unit Ownership.** A part of the Property consisting of one Unit and its undivided interest in the Common Elements appurtenant thereto.
- 1.26 **Voting Member.** One person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners, excluding those members of the Board of Directors designated by the Developer or Declarant.

ARTICLE II UNITS

2.01 **Description and Ownership.**

- (a) All Units are delineated on the Plat and listed on Exhibit "A" and shall have lawful access to the public way.

(b) Each Unit consists of the space enclosed and bounded up by the horizontal and vertical planes set forth in the delineation thereof on Exhibit "A" including, without limitation, pipes, ducts, flues, chutes, conduits, wires and other utility, heating, cooling or ventilation systems or equipment to the extent and only to the extent serving only such Unit; and (anything herein to the contrary notwithstanding) excluding all structural components of the Building, the term "structural components" including structural columns or pipes, wires, conduits, ducts, flues, shafts or public utility lines running through the Unit and forming a part of any system serving more than the Unit, or any components of communication or master antenna systems, if any, located in the Unit, whether or not any such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on Exhibit "A". Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit "A", and every such description shall be deemed good and sufficient for all purposes.

(c) Except as provided by the act or as provided elsewhere herein, no Unit Owner shall, by deed, plat, court decree 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 A.

(d) To the extent such data is available to the Declarant at the time this Declaration is filed, the plat sets forth the measurements, elevations, locations and other data as required by the Act, with respect to (1) the Parcel and its exterior boundaries; (2) every Building and each floor thereof; and, (3) each Unit in every Building and said Unit's horizontal and vertical dimensions. However, the Declarant hereby reserves unto itself and the Developer, the right, from time to time, as further data becomes available, to amend the Plat so as to set forth the measurements, elevations, locations and other data required by the Act, with respect to the Buildings and the Units now or hereafter constructed on the Parcel.

In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, acting by or through its duly authorized officers, its successors, or its designee, and to the Developer, its successors and assigns and their agents, and each of them singly, as attorney-in-fact, to amend the Plat, as described above, without notice to any Unit Owners, whether the Developer or Declarant still owns a unit or at any time, provided that after the Declarant or Developer no longer owns a unit in the Parcel, the Amendment must be for purposes of correcting clerical or other errors in the preparation of this Declaration. Each deed, mortgage or other instrument with respect to Unit, and the acceptance thereof, shall be deemed a grant of such power to each of said attorneys-in-fact, and acknowledgment of and consent to such power; and shall be deemed to reserve to each of said attorneys-in-fact the power to amend the Plat, as described above.

2.02 **Certain Structures Not Constituting Part of a Unit.** Except as a tenant in common with all other Unit Owners, no Unit Owner shall own any structural components of the Building, including structural columns or pipes, wires, conduits, ducts, flues, shafts or public utility lines running through his Unit and forming a part of any system serving more than his Unit, or any components of communication systems, if any, located in his Unit, whether or not any such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit.

2.03 **Real Estate Taxes.** It is understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements as provided in the Act; provided, however, until such time as separate real estate tax bills are issued with respect to each Unit, the real estate taxes imposed on the Property may be included in the Common Expenses assessed pursuant to this Declaration.

ARTICLE III
COMMON ELEMENTS

3.01 **Description.** The Common Elements shall consist of all portions of the Property, except the Units, and including the Limited Common Elements, unless otherwise expressly specified herein. The Common Elements include, without limitation and if applicable, any of the following items located at the Property: the walls, roof, hallways, stairways, entrances and exits, security system, mechanical equipment areas, lobby, exercise room, bicycle room, the Storage Area, the Parking Area, elevators, mail room, master television antenna system (whether leased or owned), if any, fire escapes, pipes, ducts, flues, shafts, electrical wiring and conduits (except pipes, ducts, flues, shafts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), central heating and ventilating systems servicing the Common Elements (but excluding those individual heating, cooling and ventilating systems or equipment situated entirely within a Unit and serving only such Unit), public utility lines, structural parts of the Building, and all other portions of the Property except the individual Units. Structural columns located within the boundaries of a Unit shall be part of the Common Elements. Any references to "Common Elements" appearing on the Plat (except references to Limited Common Elements) shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Elements in any way.

3.02 **Ownership of Common Elements.** Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owner by such Unit Owner, as set forth in Exhibit "C" attached hereto. The percentages of ownership interests set forth in Exhibit "C" have been computed and determined in accordance with the Act based upon each Unit's value in relation to the Building as a whole, and shall remain constant and shall not be changed, except as specifically permitted by the Unit Owners and all mortgagees having bona fide liens of record against any of the Unit Ownerships. Said ownership interest in the Common Elements shall be undivided interests, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Unit Elements Corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall always be deemed conveyed or encumbered with any conveyance or encumbrance of that Unit, even though the legal description in the instrument may refer only to the fee title to that Unit.

3.03 **Limited Common Elements.** The Limited Common Elements are such parts of the Common Elements serving exclusively a single Unit or adjoining Units as an inseparable appurtenance thereto, as designated as such in this Declaration, including in the Plat, or which by the nature or location thereof, or by the terms of this Declaration, are clearly intended to be reserved for or for the use of one or more Units to the exclusion of other Units. The Limited Common Elements appertaining to, or designated or reserved for or for the use of, or serving any Unit (alone or in conjunction with other Units) are hereinafter from time to time referred to as the Limited Common Elements of such Unit. The Limited Common Elements shall include, but shall not be limited to, the following (a) the interior surface of the perimeter walls, ceiling and floors which define the boundary planes of a Unit; (b) perimeter doors and windows which serve exclusively a single Unit; (c) any system or component part thereof which serves a Unit exclusively, to the extent that such system or component part is located outside the boundaries of a Unit; (d) balconies, terraces and/or decks contiguous to a Unit (excluding any stair system and landings which provide ingress and egress to other Units); and (e) the Parking Spaces.

Nothing in the foregoing shall be deemed or construed to prevent the Board from establishing rules concerning the use of Limited Common Elements by Unit Owners, and such rules established by the Board in accordance with this Declaration shall be binding upon Unit Owners.

3.04 **Use of Limited Common Elements.** Each Unit Owner and Occupant shall have the right to (a) the exclusive use and possession of the Limited Common Elements serving exclusively the Unit of such Unit Owner, which right shall be appurtenant to and shall run with the title of such Unit, and shall not be separated from such Unit, and (b) the use and possession of the Limited Common Elements serving the Unit of such Unit Owner in common with one or more (but not all) other Units, which use and possession shall be to the exclusion of all other persons except the Unit Owner of any such other Unit to which such Limited Common Elements shall respectively appertain. The use of Limited Common Elements may be transferred between Unit Owners at their expense in accordance with the Act.

ARTICLE IV
GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

4.01 **Submission of Property to the Act.** The Property is hereby submitted to the provisions of the Condominium Property Act of the State of Illinois.

4.02 **No Severance of Ownership.** No Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to his Unit Ownership without including herein 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.

4.03 **Easements.**

(a) **Encroachments.** In the event that (i) by reason of the construction, repair, settlement or shifting of the 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 other unit; or (ii) by reason of the design or Construction of any Unit, it shall be necessary or advantageous to a Unit 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 any other Unit Owner; or (iii) by reason of the design or construction of utility or ventilation system, any mains, pipes, or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit; then in any such case, valid easements for maintenance of such encroachment and for such use of the Common Elements are hereby established and shall exist for the benefit of such Unit, or 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 easements for any encroachment or use of the Common Elements be created in favor of any Unit Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Property by any other Unit Owner or has been created by the Unit Owner or his agent through intentional, willful or negligent conduct.

(b) **Easements for Utilities and Commercial Entertainment.** Ameritech; Com Ed Company, Peoples Energy, and all other suppliers of utilities serving the Property and Prime Cable of Chicago or any person providing cable television or other similar entertainment to any Unit Owners or to the Property, are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace, conduits, cables, pipes and wires and other equipment into, over, under, along and on any portion of the Common Elements for the purpose of providing the Property with utility and entertainment services, together with the reasonable right of ingress to and egress from the Property for said purpose; and the Declarant, Board or Association may hereafter grant other or additional elements for utility purposes and for other purposes including such easements as the Developer may from time to time request including, but not limited to, such easements as may be required to construct, keep and maintain improvement upon the Common Elements, for the benefit of the property, over, under, along and on any portion of said Common Elements, and each Unit Owner hereby grants the Board or Association an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Unit Owner, such instruments as may be necessary to effectuate the foregoing (provided that with respect to all easements granted hereby or pursuant hereto, no Unit Owners shall use of his Unit or any Limited Common Element serving his Unit, other than reasonably and temporarily). Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines, entertainment lines, components of the communications systems, if any, or structural components, which may run through the walls of a Unit and which constitute or will constitute Common Elements whether or not such walls lie in whole or in part within the Unit boundaries. Furthermore, easements are hereby granted to the suppliers of water to the Units to maintain and repair the meter located in a Unit, together with the reasonable right of ingress to and egress from the Unit for said purpose. Additionally, an easement is granted to the Developer and Declarant, its agents, successors and assigns, for the purposes of completion of construction, maintenance, winding-up of the construction process and for other

proper purposes, to go upon any portion of the Parcel, the units, the Common Elements or Limited Common Elements.

The Board may hereafter grant other or additional easements for utility or commercial entertainment purposes for the benefit of the Property, over, under, along and on any portion of said Common Elements, and each Unit Owner and each mortgage of a Unit hereby grants the Board an irrevocable power of attorney coupled with an interest to execute, acknowledge and record in the name of such Unit Owner, such instruments as may be necessary or appropriate to effectuate the foregoing.

The Declarant hereby reserves to itself and the Association, and their respective successors and assigns, the right, without notice to, or the consent of, any Unit Owner or mortgagee of a Unit: (i) to record a supplement to the Plat showing the location of any or all of such utility or commercial entertainment conduits, cables, pipes, electrical wiring, transformers and switching apparatus and other equipment "as built" and (ii) to record, from time to time, additional supplements, showing additions, modifications and deletions to any or all of such conduits, cables, pipes, electrical wiring, transformers and switching apparatus and other equipment. Once the location of the easement to any such utility or other entity is shown by any supplement or additional supplement to the Plat as aforesaid, the easement granted by this Section 4.03(b) to such utility or other entity shall be limited to the area or areas located within ten feet on either side of the equipment of such utility or other entity shown on such supplement or additional supplement. A power coupled with an interest is hereby granted to the Declarant and the Association, acting by and through their respective duly authorized officers, their respective successors, assigns, agents and designees, and each of them singly without the other's concurrence, as attorney-in-fact to do or cause the foregoing to be done. The acceptance of each deed, mortgage, trust deed or other instrument with respect to a Unit shall be deemed a grant of such power to each of said attorneys-in-fact, an acknowledgment of a consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to record any and all such supplements.

(c) **Easements to Run With Land.** All easements and rights described herein are easements appurtenant running with the land, and as long as the Property is subject to the provisions of this Declaration, shall remain in full force and effect, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Unit Owner, purchaser, mortgagee and other person having an interest in the Property, or any part or portion thereof. 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 respective grantees, mortgages and trustees of such Unit Ownerships a fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

4.04 Use of the Common Elements.

(a) **General.** Subject to the provisions of this Declaration, each Unit Owner shall have the nonexclusive right to use the Common Elements (except the Limited Common Elements) in common with the other Unit Owners as may be required for the purpose of ingress and egress to, and use, occupancy and enjoyment of, the respective Unit owned by such Unit Owner, and such other incidental uses as are permitted by this Declaration. Each Unit Owner shall have the right to the use and possession of the Limited Common Elements serving his Unit, in common with other Unit Owners, if any, having right thereto pursuant to this sentence and with all other parties to whom such rights extend pursuant to Section 3.04 of this Declaration, and to the exclusion of all other parties. Such rights to use and possess the Common Elements, including the Limited Common Elements, shall be subject to and be governed by the provisions of the Act, this Declaration, and rules and regulations of the Association.

(b) **Guest Privileges.** The aforesaid rights shall extend to the Unit Owner and the members of the immediate family and authorized occupants, tenants, guests, visitors, agents, servants, invitees, customers and licensees of the Unit Owner, subject to reasonable rules and regulations with respect thereto.

(c) **Disclaimer of Bailee Liability.** Notwithstanding anything to the contrary contained in this Declaration, neither the Board, the Association, any Unit Owner, the Declarant, nor the Developer shall be considered a bailee of any personal property stored in the Common Elements and shall not be responsible for the security of such personal property or for any loss or damage therein, whether or not due to diligence.

4.05 **Maintenance, Repairs and Replacements.**

(a) The Association at its expense, shall be responsible for the maintenance, repair, and replacement of those portions, if any, of each Unit which contribute to the support of the Building excluding, however, all windows, all exterior doors and the interior surfaces of walls, ceiling and floors. In addition, the Association shall maintain, repair, and replace all pipes, wires, conduits, ducts, flues, shafts and other facilities for the furnishing of utility services which may be located within the Unit boundaries and forming part of any system servicing more than one Unit, as specified in Section 2.02 hereof, exclusive of any portions of the foregoing which may be the responsibility of an individual Unit Owner under paragraph (b) below, or any other provision of this Declaration. Maintenance repairs and replacements of the Common Elements shall be furnished by the Association acting by and through the Board as part of the Common Expenses subject to the By-Laws or rules and regulations of the Association.

(b) **By The Unit Owner.** Except as otherwise provided in paragraph (a) above or paragraph (c) below, each Unit Owner shall furnish and be responsible for, at its own expense:

(i) All of the maintenance, repairs and replacements within his own Unit, all doors appurtenant thereto, and all internal installations of such Unit such as air conditioning units, refrigerators, ranges, and other kitchen appliances, lighting fixtures and other electrical fixtures and plumbing, and any portion of any other utility service facilities located within the Unit; provided, however, that such maintenance, repairs and replacements as may be required for the bringing of water, electricity and natural gas to the Units, shall be furnished by the Board as part of the Common Elements.

(ii) All of the decorating within his own Unit (initially and thereafter from time to time), including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the common walls and the interior surfaces of the vertical perimeter walls, floors and ceiling of his Unit, and such Unit Owner shall maintain such portions in good condition at his sole expense as may be required from time to time. Except with respect to improvements in place as of the date of the recording of this Declaration, each Unit Owner who shall elect to install in any portion of his Unit (other than in bath and powder rooms) hard surface floor covering (i.e., tile, slate, ceramic, parquet, etc.) shall be first required to install a sound absorbent under-cushion of such kind and quality as to prevent the transmission of noise to another Unit, the Board may, in addition to exercising all of the other remedies provided for in this Declaration for breach of any of the provisions hereof, require such Unit Owner to cover all non-conforming work with carpeting, or may require removal of such non-conforming work, at the expense of the offending Unit Owner. The interior surfaces of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Unit Owner. 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 as may be imposed from time to time.

(iii) All of the maintenance repair, and replacements of the Limited Common Elements benefitting his Unit, in whole or in part, except to the extent as otherwise directed by the Board or as is otherwise provided herein, shall be performed by the respective Unit Owner benefitted thereby. In addition, each Unit Owner shall be individually responsible for the repair, maintenance and replacement of all door and window locks and hardware with respect to each Unit Owner is entitled to the exclusive use. At the discretion of the Board, the Board may perform, or cause to be performed, such maintenance repairs, and replacements of the Limited Common Elements and the cost thereof shall be assessed in

whole or in part to Unit Owner or Unit Owners benefitted thereby, and further at the discretion of the Board, the Board may direct such Unit Owner or Unit Owners, in the name and for the account of such Unit Owner or Unit Owners, to arrange for such maintenance, repairs, and replacements, to pay the cost thereof with the funds of the Unit Owner, and to procure and deliver to the Board such lien waivers and contractor's or sub-contractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

(c) In the event that any repair or replacement to the Common Elements (including Limited Common Elements) is made necessary by reason of any act or occurrence for which insurance is maintained by the Board pursuant to Section 5.08 hereof and for which insurance proceeds are available as provided in Section 8.01 hereof, the Association, at its expense to the extent of such proceeds, and subject to Section 4.07 hereof, shall be responsible for the repair or replacement of such Common Elements.

(d) **Nature of Obligation.** Nothing herein shall be construed to impose a contractual liability upon the Association for maintenance, repair and replacement, but the Association's liability shall be limited to damages resulting from negligence. The respective obligations of the Association and Unit Owners set forth in this Declaration shall not be Limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement is required to cure a latent or patent defect in material or workmanship in the construction of the Building, nor because they may become entitled to proceeds under policies of insurance. In addition, and notwithstanding anything herein above to the contrary, no Unit Owner shall have a claim against the Board or Association (or against the Declarant or Developer) for any work ordinarily the responsibility of the Board or Association, but which the Unit Owner himself has performed or paid for, unless the same shall have been agreed to in advance by the Board or Association or the Declarant.

4.06 **Negligence of Unit Owner.** If, due to the willful misconduct or negligent act or omission of a Unit Owner, or a member of his family or household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be reasonably determined by the Board.

4.07 **Joint Facilities.** To the extent that equipment, facilities and fixtures within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owner shall be in all respects reasonable as it affects the other Unit Owners. The authorized representatives of the Association of 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, or any Facilities.

4.08 **Additions, Alterations or Improvements.**

(a) The Board may authorize and charge as a Common Expense (or in the case of Limited Common Elements may charge the Unit Owners benefitted thereby) the cost of the additions, alterations, or improvements to the Common Elements. The cost of any such work to the Common Elements may be paid out of a special assessment.

(b) Except as otherwise provided in Section 7.01(a) hereof, no additions, alterations or improvements shall be made by a Unit Owner to any part of the Common Elements and no additions, alterations or improvements shall be made by a Unit Owner to his Unit (where such work alters the structure of the Unit or increases the cost of insurance required to be carried by the Board hereunder) without the prior consent of the Board. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by a Unit Owner upon the Unit Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) to pay to the Association from time to time the additional cost of maintenance and/or insurance

as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by a Unit Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions:

(i) Require Unit Owner to remove the addition, alteration or improvement and restore the Property to its own original condition, all at the Unit Owner's expense; or

(ii) If the Unit Owner refuses or fails to properly perform the work required under (i), the Board may cause such work to be done and may charge the Unit Owner for the cost thereof as determined by the Board; or

(iii) Ratify the action taken by the Unit Owner, and the Board may (but shall not be required) to condition such ratification upon the same conditions which it may impose upon the giving of its prior consent under this Section.

4.09 Parking Areas and Parking Spaces. Parking Spaces shall be used for parking automobiles, sport utility vehicles or mini-vans only, or any other vehicle which is capable of entering and exiting the Parking Area and which fits fully inside the tandem Parking Spaces. Parking Spaces shall be deeded at closing as Limited Common Elements to the Unit Owners as P-1 through P-3 as indicated on Exhibit D and as shown on the Plat. The remainder of the Parking Area and all associated areas not listed herein as a portion of each Unit or a Limited Common Element, shall be a Common Element of the Association, owned as an undivided element according to the Unit Owners' percentages of ownership in the Common Elements as a whole.

4.10 Storage Areas and Storage Spaces. At present, no Storage Areas or Storage Spaces shall be deeded as Limited Common Elements to the Unit Owners. The Board or the Association may in the future allocate portions of the Common Elements as Storage Spaces on such basis and at such fees, if any, as the Board or the Association deems appropriate and may prescribe such rules and regulations with respect to such Storage Areas and Storage Spaces as it may deem fit.

4.11 Street and Utilities Dedication. At a meeting called for such purpose, two-thirds (2/3) or more of the Unit Owners may elect to dedicate a portion of the Common Elements to a public body for use as, or in connection with, a street or utility.

ARTICLE V **ADMINISTRATION**

5.01 Administration of Property. The direction and administration of the Property shall be vested in the Board of Directors (herein sometimes referred to as the "Board") which shall consist of three (3) persons who shall be elected in the manner hereinafter set forth: provided, however, that irrespective of anything else contained in this Declaration, for a period commencing on the date this Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of Voting Members, the Declarant or Developer or its mortgagee shall have the right to designate and select the persons who shall serve as members of the Board or to exercise the powers of the Board as provided in the Act, except as otherwise provided in Section 5.06. Except for directors so designated by the Declarant or Developer, each member of the Board shall be one of the Unit Owners; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any designated agent of such corporation, partnership, or other legal entity, or beneficiary of such trust, shall be eligible to serve as a member of the Board. If a Unit Owner owns more than one Unit and is a corporation, partnership, trust or other legal entity, other than a natural person, then any number of agents or beneficiaries of such Unit Owner may be directors, provided that the number of such Unit Owner may be directors, provided that the number of such Unit Owner's agents or beneficiaries who become directors shall not exceed the number of Units owned by such Unit Owner. If a director fails to meet such qualifications during his term, he shall thereupon cease to be a director, and his place on the Board be deemed vacant.

5.02 **Association.** The Association has been formed prior to the recording hereof as a not-for-profit corporation under the General-Not-For-Profit Corporation Act of the State of Illinois and for the purposes and having the powers described in the act, and having the name (or a name similar thereto) 2423 West Harrison Condominium Association, and shall be deemed to be the "Board of Managers" for the Unit Owners referred to in the Act. The Association shall not be deemed to be conducting a business of any kind and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions contained herein. Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, such membership shall automatically terminate when he ceases to be a Unit Owner, and upon the transfer of his ownership interest the transferee thereof shall likewise succeed to such membership in the Association. The Association shall have one class of membership.

5.03 **Voting Rights.**

(a) Except as otherwise provided in Section 5.03(b) herein, there shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a "Voting Member". Such Voting Member may be the Unit Owner or one of the group composed of all the owners of a Unit Ownership, or be some person designated by such Unit Owner or Unit Owners or his duly authorized attorney-in-fact to act as proxy on his or their behalf and who must be a Unit Owner. Such designation shall be made in writing to the Board, shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Unit Owner or his duly authorized attorney-in-fact, shall bear the date of its execution and shall be invalid after eleven (11) months from date of execution unless otherwise provided in the proxy. Any of such Unit Owners may be present at any meeting of the Voting Members and (those constituting a group acting as a single Voting Member) may vote or take any other action as a Voting Member either in person or by proxy. The person(s) designated by the Declarant with respect to any Unit Ownership owned by the Declarant shall also have the right to vote at any meetings of the Board for so long as the Declarant shall retain the right to so designate a Board member. If a Unit Owner is a trust, then the voting rights of such Unit Owner may be exercised by a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, then these voting rights of said Unit Owner or beneficiary may be exercised by an officer, partner, or employee of such Unit Owner or beneficiary. The total number of votes of all Voting Members shall be one hundred (100), and each Unit Owner or group of Unit Owners shall be entitled to the number of votes equal to the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set forth in Exhibit "C"; provided that, when thirty percent (30%) or fewer of the Units, by number, possess over fifty percent (50%) in the aggregate of the votes in the Association, any percentage vote of Unit Owners specified herein shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to limits that would otherwise be applicable.

(b) In the event the ownership of a unit is composed of more than one Person, then if only one of the multiple owners of a Unit is present at a meeting of the Association, then such owners shall be entitled to cast all of the votes allocated to that Unit. In the event more than one owner of a Unit is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority of interest of the group of owners comprising the Unit Owner. Majority agreement shall be deemed to have occurred if any one of the multiple owners casts the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any other owners of the Unit.

5.04 **Meetings.**

(a) **Quorum.** Meetings of the Unit Owners shall be held at the Property or at such other place in Cook County, Illinois, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of at least fifty percent (50%) of the Unit Owners shall constitute a quorum unless the Unit Owners, in accordance with the Act, provide otherwise. Unless otherwise expressly provided herein, any action may be taken at any meeting of the unit Owners at which a quorum is present upon the affirmative vote of the Unit Owners having a majority of the total votes present at such meeting.

(b) **Initial and Annual Meeting.** The initial meeting of the Voting Members shall be held upon no less than twenty-one (21) and not more than thirty (30) days written notice given by the Declarant or Developer. Said initial meeting shall be held no later than the first to happen of (i) sixty (60) days after the date the Declarant has sold and delivered its deed for at least seventy-five percent (75%) of the Units or (ii) three (3) years from the date of the recording of this Declaration, provided, however, that the words "seventy-five percent (75%) of the Units" as used in the preceding clause of this sentence shall mean 75 % of the sum of the Units listed on Exhibit "C" attached hereto. Thereafter, there shall be an annual meeting of the Voting Members on the second Tuesday of December following such initial meeting, and on the second Tuesday in December of each succeeding year thereafter at 7:30 p.m., or at such other reasonable time or date as may be designated by written notice of the Board delivered to the Voting Members.

(c) **Special Meetings.** Special meetings of the Voting Members may be called at any time after the initial meeting provided for in Section 5.04(b) hereof 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 provided, however, that the following matters shall require the approval of Voting Members having not less than two-thirds (2/3) of the total votes: (i) the merger or consolidation of the Association; (ii) the sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the property and assets of the Association; and (iii) the purchase or sale or lease of Units or other real estate on behalf of all Unit Owners. Special meetings may be called by written notice authorized by a majority of the Board, the President of the Board, or by twenty percent (20%) or more of the Unit Owners, and delivered not less than ten (10) days and no more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered. Matters to be submitted to the Unit Owners at special membership meetings shall be submitted by the Board.

5.05 **Notices of Meetings.** Except as otherwise provided herein, notices of meetings of the Voting Members required to be given herein may be delivered either personally or by mail to the persons entitled to vote thereat, addressed to each such person at the address given by him to the Board for the purpose of service of such notices, or to the Unit of the Unit Owner with respect to which such voting right appertains, if no address has been given to the Board, provided that any such notice shall be delivered no less than ten (10) and no more than thirty (30) days prior to the date fixed for such meeting and shall state the time, place and purpose of such meeting.

5.06 **Board of Directors.**

(a) The initial Board of Directors designated by the Declarant or Developer pursuant to Section 5.01 hereof shall consist of three (3) directors who shall serve without compensation. Such initial Board shall serve for a period commencing on the date this Declaration is executed and ending upon the qualification of the directors elected at the initial meeting of Voting Members held as provided in Section 5.04(b) hereof. Notwithstanding the foregoing sentence, on or before the first anniversary date after the date of this Declaration and each anniversary date thereafter, one (1) director designated by the Declarant shall resign and shall be replaced by one (1) Unit Owner selected by a special meeting of the Voting Members. Said initial Board may, on behalf of the Declarant or Developer, exercise the rights reserved in Section 15.01 hereof. At the initial meeting of Voting Members held as provided in Section 5.04(b) hereof, the Voting Members shall elect the Board. In all elections for members of the Board, each Voting Member shall be entitled to vote on a non-cumulative voting basis and the candidates receiving the highest number of votes with respect to the number of officers 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 three (3) Board members shall be elected. The two (2) receiving the highest number of votes shall be elected to a term of two (2) years, and the one (1) person receiving the next highest number of votes shall be elected for a term of one (1) year. The election as between candidates receiving the same number of votes shall be determined by lot. All members of the Board shall be elected at large. Upon the expiration of the terms of the office of the Board members so elected at the initial meeting thereof, successors shall be elected for a term of two (2) years each. The Voting Members owning at least two-thirds (2/3) of the Units may from time to time at any annual or special meeting increase or decrease the term of office of Board members, providing that the terms of at least one-third (1/3) of the persons on the Board shall expire annually.

Members of the Board shall receive no compensation for their services. Vacancies in the Board including vacancies due to any increase in the number of persons on the Board, shall be filled by the Voting Members present at the meeting at which the vacancy occurs, the next annual meeting or at a special meeting of the Voting Members called for such purpose. Vacancies may also be filled by the Board by two-thirds (2/3) vote of the remaining members thereof at a special meeting of the Board which vacancy shall be filled until the next annual meeting of the Voting Members or for a period terminating no later than thirty (30) days following the filing of a petition signed by Voting Members holding twenty percent (20%) of the votes of the Association requesting a meeting of the Voting Members to fill the vacancy for the balance of the term. A meeting of the Voting Members shall be called for purposes of filling a vacancy on the Board no later than thirty (30) days following the Voting Members filing of a petition signed holding twenty percent (20%) of the votes of the Association requesting such a meeting, 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; provided, however, that (i) each Unit owner shall be entitled to notice in the same manner as provided in Section 5.05 hereof, of any meeting of the Board called for the purpose of considering the adoption of the proposed annual budget or any increase or establishment of an assessment; and (ii) the Board shall meet no less than four (4) times each year. Two-thirds (2/3) of the total number of members on the Board shall constitute a quorum. Any member of the Board may succeed himself.

(b) In the event the Board adopts a budget requiring assessment against the Unit owners in any fiscal or calendar year exceeding 115 % of the assessments for the preceding year, the Board, upon written petition by the Voting Members with twenty percent (20%) of the votes of the Association filed within fourteen (14) days of the Board action, shall call a meeting of the Voting Members within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of Voting Members present are cast at the meeting to reject the budget, the budget shall be deemed to be ratified, regardless of whether or not a quorum is present. In any determination of whether assessments exceed one hundred and fifteen percent (115 %) of similar assessments in the prior year, any authorized provision for reasonable reserves for repair, replacement of the Property, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

(c) The Board shall elect from amongst its members a President who shall preside over both its meeting and those of the Voting Members, and who shall be the chief executive officer of the Board and the Association and who shall be designated to mail and receive all notices and execute all amendments hereto as provided herein and in the Act, a Secretary who shall keep the minutes of all meetings of the Board and of the Voting Members and who shall, in general, perform all the duties incident to the Office of the Secretary, and a Treasurer to keep the financial records and books of account, such additional officers as the Board shall see fit to elect from amongst the members of the Board. The term of office for each officers shall be until the next succeeding annual meeting of the Board, and until his successor shall be duly elected or appointed an qualified pursuant hereto. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of the Board. Any director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by a vote of two-thirds (2/3) of the total membership of the Board at a special meeting hereof. Any officer may succeed himself.

(d) Written notice stating the place, date and hour of any meeting of the Board shall be delivered to each member of the Board not less than five (5) days prior to the date of such meeting. The purpose for which the meeting is called shall be stated in the notice.

(e) All meetings of the Board, except as otherwise provided by the Act, shall be open to attendance by any Unit Owner, and notice thereof, except as otherwise provided herein, shall be mailed or delivered to each Unit Owner not less than forty-eight (48) hours prior thereto unless a written waiver of such notice is signed by such Unit Owner before the meeting is convened. Any vote on matter which may, under the Act, be discussed in a meeting not open to attendance by any Unit Owners, shall be taken at a meeting or portion thereof open to

any Unit Owners. Any Unit Owner may record the proceedings at meetings or portions thereof required to be open under the Act by tape, film or other means provided, however, that the board may prescribe reasonable rules and regulations to be given the right to make such recordings. A copy of such notice of meeting required to be given hereunder shall be posted in a conspicuous place in the Building for at least forty-eight (48) hours prior to the time fixed for such meeting.

(f) Within sixty (60) days following the election of a majority of members of the Board other than those members designated by the Declarant, or the Developer, the Developer shall deliver to the Board the following:

(i) All original documents as recorded or filed pertaining to the Property, its administration, and the Association, such as this Declaration, Articles of Incorporation for the Association, other condominium instruments, annual reports, a minute book containing the minutes of any meetings held by the Association and any rules and regulations governing the Property, contracts, leases or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the Developer, or an officer or agent of the Developer, as being a complete copy of the actual document recorded as filed.

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

(iii) Any association funds on hand which shall have been at all times segregated from any other funds of the Developer.

(iv) A schedule of all real or personal property, equipment and fixtures owned by the Association, including documents such as invoices or bills of sale, if available, evidencing transfer of title to such property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies and all tax bills.

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

(g) Except for directors designated by Declarant or Developer pursuant to Section 5.01 hereof, any Board member may be removed from office, at any time after the election of directors at the initial meeting of Voting Members pursuant to Section 5.06(a) hereof, by affirmative vote of the Voting Members owning at least two-thirds (2/3) of the Units, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board members removed may be elected by the Voting Members at the same meeting or any subsequent meeting called for that purpose.

(h) The Association (or the Declarant or Developer, in exercise of the powers reserved in Section 15.01 hereof), shall furnish any Unit Owner, within three (3) working days of delivery to it of a request thereof, the names, addresses, telephone numbers (if known), and the number of votes of each Unit Owner entitled in vote at the initial meeting of the Voting Members to elect members of the Board and at such subsequent meeting of the Voting Members to elect members of the Board.

(i) The Board shall require (1) that all officers, employees or other persons who either handle or are responsible for funds held or administered by the association shall furnish fiduciary insurance coverage which

covers the maximum amount of funds that will be in the custody of the Association plus the Association Reserve, the premium cost of which shall be paid by the Association and (2) that all Management Companies who either handle or are responsible for funds held or administered by the Association shall furnish a fidelity bond to the Association which covers the maximum amount of Association funds and Association Reserves that will be in the custody of the Management Company, the premium cost of which shall be paid by the Association. "Management Company" shall be defined as a person, partnership, corporation or other legal entity entitled to transact business on behalf of others, acting on behalf of or as an agent for a Unit Owner, Unit Owners or Association of Unit Owners for the purpose of carrying out the duties, responsibilities and other obligations necessary for the day-to-day operation and management of any property subject to the Act. For purposes of this paragraph, the term "Fiduciary Insurance Coverage" shall be defined as both a fidelity bond and directors' and officers' liability coverage, the fidelity bond in the full amount of the Association funds and Association Reserves that will be in the custody of the Association, and the directors' and officers' liability coverage at a level as shall be determined to be reasonable by the Board, if not otherwise established by the Declaration or Bylaws.

5.07 General Powers of the Board. The Board shall have the following general powers:

(a) Subject to the rights reserved by the Declarant or Developer or its mortgagee pursuant to Section 15.01 hereof, the Board may engage the services of an agent to manage the Property for which the Board is responsible pursuant to this Declaration, to the extent deemed advisable by the Board; provided, however, that any agreement for professional management, except as hereinafter provided, shall provide for termination by the Board without cause upon ninety (90) days' written notice without payment for termination fee and shall have a term not to exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods. The initial agreement for professional management may provide for a monthly rate and subject to such terms as are consistent with competitive rates and terms prevailing in the area in which the Property is located expiring two (2) years from the date of recording of the last amendment to the Declaration subject to termination for cause by the Association upon thirty (30) days' written notice without payment of a termination fee. The management agreement shall require the management agent to furnish a fidelity bond in such amounts and with such provisions as contained in Section 5.08(a)(v) hereof.

(b) The Board or its agents, upon reasonable notice, may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible to make emergency repairs as may be necessary to prevent damage to the Common Elements or any other Unit or Units.

(c) Except as otherwise provided in the Budget, the Board's powers herein enumerated shall be limited in that the Board shall have no authority to acquire and pay for from the maintenance fund any structural alterations, capital additions to, or capital improvements of the Common Elements (other than for purposes of replacing or restoring portions of the Common Elements, subject to all the provisions of this Declaration or unless required for emergency repair, protection or operation of the Common Elements), requiring an expenditure in excess of Five Thousand and no/100 Dollars (\$5,000.00) without in each case the prior written approval of the Unit Owners owning at least two-thirds (2/3) of the Units.

(d) All arrangements, contracts, deeds, 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 counter-signed by the President of the Board.

(e) The Board shall have the power and duty to provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, 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 to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent).

(f) The Board shall have the power to exercise all other powers and duties of the Board of Directors or Unit Owners as a group referred to in the Declaration or the Act.

More specifically, the Board shall exercise for the Association all powers, duties and authority vested therein by law or the condominium instruments except for such powers, duties and authority reserved thereby to the members of the Association. The powers and duties of the Board shall include, but shall not be limited to, the following matters:

- (i) Operation, care, upkeep, maintenance, replacement and improvement of the Common Elements in a neat and orderly manner;
- (ii) Preparation, adoption and distribution of the annual budget for the 2423 West Harrison Condominium Association;
- (iii) Levying of assessments;
- (iv) Collection of assets from Unit Owners;
- (v) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements;
- (vi) Obtaining adequate and appropriate kinds of insurance;
- (vii) Owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by it;
- (viii) Adoption and amendment of rules and regulations covering the details of the operation and use of Property, after a meeting of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations, however, no rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution;
- (ix) Keeping of details, accurate records of the receipts and expenditures affecting the use and operation of the Property;
- (x) To have access of each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common elements (to the extent the Association is responsible for such maintenance, repair or replacement) therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to other Unit or Units;
- (xi) Pay real property taxes, special assessments, and any other special taxes or charges on the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the condominium;
- (xii) Impose charges for late payments of a Unit Owner's proportionate share of the Common Expenses, or any opportunity to be heard, levy reasonable fines for violation of this Declaration and rules and regulations of the Association. If any Unit Owner shall fail or refuse to make any payments of the Common Expenses when due, the amount thereof, together with any interest, late charges, reasonable attorneys' fees incurred prior to the initiation of any court action, and costs of collections or the amount of any unpaid fine shall constitute a lien on the interest of such Unit Owner prior to all other liens and encumbrances recorded or unrecorded, except only (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of Illinois and other state and federal taxes which by law are a lien on the interest of such

Unit Owner prior to preexisting recorded encumbrance thereon, and (b) encumbrances on the interest of such Unit Owners recorded prior to the date of such failure or refusal which by law would be a lien thereon prior to subsequently recorded encumbrances;

(xiii) Assign the Association's rights to future income, including the right to receive Common Expenses;

(xiv) Record the dedication of a portion of the Common Elements to a public body for use as or in connection with a street or utility where authorized by the Unit Owners under the provisions of Section 4.12 hereof; and,

(xv) Record the granting of an easement for the laying of cable television where applicable pursuant to the provisions of Section 4.03(b) hereof.

(g) Subject to the provisions of Section 4.06 and Section 6.08 hereof, the Board for the benefit of all the Unit Owners shall acquire and shall pay from the maintenance fund hereinafter provided for, the following:

(i) Operating expenses of the Common Elements, including water, electricity, gas and telephone and other necessary utility service for the Common Elements and (if not separately metered or charged) for the Units.

(ii) Services of any person or firm to action behalf of the Unit Owners in connection with real estate taxes and special assessments on the Unit Ownerships, and in connection with any other matters where the respective interests of the Unit Owners are deemed by the Board to be similar and non-adverse to each other. The cost of such services shall be Common Expenses.

(iii) Painting, cleaning, outside window washing, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the interior surfaces of the Units and of the perimeter doors apparent thereto, and repair of windows which the Unit 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.

(iv) Any other materials, supplies, utilities, furniture, equipment, labor, services, maintenance, repairs or structural alterations which the Board is required to secure or pay for, pursuant to the terms of this Declaration and By-Laws 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 the restrictions contained herein.

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

(vi) Maintenance and repair of any Unit if such maintenance or repair is necessary, in the direction of the Board, to protect the Common Elements or any other portion of the Building, or if a Unit Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Unit Owner, provided that the Board shall level a special assessment against such Unit Owner for the cost of said maintenance repair.

(h) Prior to the election by voting Members of the first Board, the Declarant or Developer or its mortgagee shall, subject to the terms of this Declaration, have the authority to lease or to grant licenses,

concessions and contracts with respect to any part of the Common Elements, all upon such terms a Declarant or Developer deems appropriate. Upon election of the first Board, and thereafter, the Board by the vote of at least two-thirds (2/3) of the persons on the Board shall have the same authority as aforesaid.

(i) The Board shall have the powers to bid for any purchase of any Unit Ownership at a sale pursuant to a mortgage foreclosure, or a foreclosure of the lien for Common Expenses under the Act, or at a sale pursuant to an order of direction of a court, or other involuntary sale, upon the consent or approval of Unit Owners having not less than two-thirds (2/3) of the total votes.

(j) The Association shall have no authority to forbear the payment of assessments by any Unit Owner.

5.08 Insurance.

(a) The Board shall have the authority to and shall obtain insurance for the Property as follows:

(i) Physical damage insurance on the Property (but excluding additions, alterations, improvements and betterments to the Units), subject to the following conditions:

(A) Such insurance shall be "bare wall" insurance with respect to the Units;

(B) The property shall be insured for an amount not less than one hundred percent (100%) of its full insurable replacement cost on a blanket basis;

(C) Replacement cost values are to be reviewed annually, and the insurance policy or policies shall be endorsed with an agreed amount clause. The cost of any and all appraisals for insurance purposes shall be Common Expense

(D) Perils to be covered by such policies shall be no less than "all risk" or "special form" on real property and "broad form" names perils on personal Property, and such other perils as may be deemed appropriate by the Board.

(ii) Comprehensive General Liability insurance covering personal injury and property damage insuring against hazards of premises/operations, products and completed operations, contractual liability, personal injury liability (with exclusions (a) and (c) deleted), independent contractors and other extensions as deemed necessary by the Board. Such insurance shall provide limits of liability as deemed desirable by the Board, but in no event for less than ONE MILLION DOLLARS AND NO/100 (\$1,000,000.00) with respect to each occurrence. Such policy shall be endorsed to cover cross-liability claims of one insured against the other.

(iii) Umbrella Liability insurance in excess of the required Comprehensive General Limited and Employer Liability policies in an amount deemed desirable by the Board, but in no event less than THREE MILLION DOLLARS AND NO/100 (\$3,000,000.00) with respect to each occurrence. Such policy shall be no less than "following form" coverage of the primary liability policies.

(iv) Worker's Compensation and Employer Liability (minimum amount \$100,000) as necessary to comply with applicable laws, including Voluntary Compensation to cover employees not covered under the Illinois statute for benefits.

(v) A fidelity bond insuring the Association, the Board and the Unit Owners against loss of funds as a result of the fraudulent or dishonest acts of any employee of the Association or its management agent or of any other person handling the funds of the Association, the Board and the Unit

Owners in such amounts as the Board shall deem necessary but not less than 150% of the annual operating expenses of the Association, including reserves (or the maximum amount of coverage available to protect such funds). The premium for such fidelity bond shall be a Common Expense. Such bond shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Such bond shall provide that it may not be canceled for nonpayment of any premiums or otherwise substantially modified without sixty (60) days prior written notice to all holders of first mortgages of record.

(vi) Directors and Officers' Liability Insurance in such amounts as to the Board shall determine to be reasonable.

(vii) Such other insurance, which may include, without limitation, any or all of the following, in such amounts as the Board shall deem desirable; Plate Glass insurance; Errors and Omissions coverage for the Directors of the Board; and Medical Payments coverage for members of the public (not Unit Owners) injured on the Property, without regard to liability of the Board or the Association;

The premiums for the above described insurance and bond, except as otherwise provided in this Section 5.08, shall be Common Expenses.

(b) All insurance provided in this Section 5.08 shall be effected under valid and enforceable policies issued by insurance companies authorized and licensed to transact business in the State of Illinois and holding a current Policyholder's Alphabetic and Financial Size Category Rating of not less than A/IX according to Best's Insurance Reports or a substantially equivalent rating from a nationally-recognized insurance rating service. All such policies shall provide a minimum of thirty (30) days advance notice of modification or cancellation in writing to the insured thereunder unless such cancellation is for non-payment or premium in which case ten (10) days advance written notice shall be sufficient.

(c) All policies of insurance of the character described in clauses (i) and (ii) of Paragraph (a) of this Section 5.08 (i) shall name as insured: The Declarant, so long as it has an insurable interest; the Board, as trustees for the Unit Owners, in the percentages established in Exhibit "C" to this Declaration; and shall also name as an insured the Insurance Trustee described in subparagraph 5.08 (f)(ii), as the respective interests of all of such insureds may appear; (ii) shall be without contribution as respects other such policies of Insurance carried individually by the Unit Owners whether such other insurance covers their respective Units and/or the additions and improvements made by such Unit Owners to their respective Unit; (iii) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Unit Owners elect to sell the Property or remove the Property from the provisions of the Act; and (iv) 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. Policies of insurance of the character described in clause (i) of Paragraph (a) of this Section 5.08 may contain an endorsement extending coverage so as to include the payment of Common Expenses with respect to damaged Units during the period of reconstruction thereof. Notwithstanding the issuance of standard mortgage clause endorsements under the policies of insurance of the character described in clauses (i) and (ii) of Paragraph (a) of this Section 5.08, any losses under such policies shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed, in accordance with the provisions of this Declaration and the Act.

(d) All policies of insurance of the character described in clauses (ii), (iii), (iv) and (v) of Paragraph (a) of this Section 5.08 shall name as insured the Association, the Board, its managing agent, and other agents and employees of such Association, Board and managing agent and the Declarant and Developer in his or its capacity as a Unit Owner and Board member and shall also provide coverage for each Unit Owner (but as to the insurance described in Section 5.08(a)(iii) hereof, only with respect to those policies of the Property not reserved for their exclusive use). In addition, all policies of insurance of the character described in clauses (i), (ii) and (iii) of

Paragraph (a) of this Section 5.08 shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the Declarant, Developer, the managing agent, their respective employees and agents, and the Unit Owners and Occupants.

(e) The Association, for the benefit of the Unit Owners and the mortgagee of each Unit, shall pay the premiums and obtain a binder on the policies of insurance described in Paragraph (a) of this Section 5.08 at least thirty (30) days prior to the expiration date of the respective policies, and upon written request thereof, shall notify the mortgagee of each Unit of such payment within ten (10) days after the date on which payment is made.

(f) Loss, if any, under any policies of insurance of the character described in clauses (i) and (ii) in Paragraph (a) of this Section 5.08 shall be adjusted with the Board, and the insurance proceeds on account of any such loss shall be paid and applied as follows:

(i) The Board, as trustee of each of the Unit Owners in their respective percentages of ownership in the Common Elements as established in this Declaration, in the case of any one loss, of Fifty Thousand Dollars (\$50,000.00) or less in the aggregate, which insurance proceeds, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be applied to the payment of the cost of restoring the Property to substantially the same condition as it existed immediately prior to such damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before, free from vendor's mechanic's materialman's and other similar liens; or

(ii) In the case of any one loss exceeding Twenty Five Thousand Dollars (\$25,000.00) in the aggregate, then the insurance proceeds shall be paid to Harris Bank & Trust Company of Chicago, which bank corporation is hereby designated by the Developer to act as trustee for the Board (the "Insurance Trustee" pursuant to the Act for the purpose of collecting and disbursing the insurance proceeds described in this subparagraph (ii). If such entity (or its successor appointed pursuant hereto) shall fail or cease for any reason to act as the Insurance Trustee, then the Board shall, pursuant to the Act, appoint as successor Insurance Trustee a corporation qualified to accept and execute trusts in the State of Illinois and having a capital of no less than Five Million Dollars (\$5,000,000.00). Such proceeds, less the actual cost, fees, and expenses, if any, incurred in connection with the adjustment of the loss, and the fees of the Insurance Trustee, shall be applied by the Insurance Trustee to the payment of the cost of restoring the Property to substantially the same condition as it existed immediately prior to such damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before. Such proceeds shall be paid by the Insurance Trustee to or for the account of the Association, from time to time as work progresses, in such manner as shall be required to facilitate the restoration of the Property in accordance with provisions of the Act. The Association and the Insurance Trustee may, prior or subsequent to any such loss, enter into an insurance trust agreement further implementing the provisions of the Act and this Declaration with respect to the collection and disbursement of proceeds of insurance by the Insurance Trustee.

(g) Each Unit Owner shall be responsible for (i) physical damage insurance on the personal property in his Unit and elsewhere on the Property, and any additions, alterations and improvements to his Unit (whether installed by such Unit Owner or any prior Unit Owner or whether originally in his Unit); (ii) his personal liability to the extent not covered by the policies of liability insurance obtained by the Board for the benefit of all of the Unit Owners as above provided; and (iii) his additional living expense. All policies of casualty insurance carried by each Unit Owner shall be without contribution with respect to the policies of casualty insurance obtained by the Board for the benefit of all of the Unit Owners as above provided. For the purposes of Section 5.08(g) and 5.08(11) hereof, "additions, alterations and improvements" shall mean any property (excluding personal property readily removable without damage to the Unit) attached to the Unit, including without limitation carpeting, flooring, wall covering, paint and paneling.

(h) The Board shall not be responsible for obtaining physical damage insurance on any additions, alterations and improvements to a Unit or personal property of a Unit Owner or any other insurance for which a Unit Owner is responsible pursuant to Section 5.08(g) hereof.

(i) Each Unit Owner hereby waives and releases any and all claims which he may have against any other Unit Owner, the Association, its officers, members of the Board, Declarant, Developer, the manager and managing agent of the Property, if any, and their respective employees and agents, for any damage to the Common Elements, the Units, or to any personal property located in the Unit or Common Elements caused by fire or other casualty to the extent that such damage is covered by fire or other form of casualty insurance or would be covered by insurance for which such Unit Owner is responsible pursuant to Section 5.08(g) hereof.

(j) The Board shall have the right to select substantial deductibles to the insurance coverage required or permitted under this Section 5.08 if the economic savings justifies the additional risk and if permitted by law. The deductibles shall be on a per occurrence basis irrespective of the number of insureds suffering injury or damage. Expenses included within the deductible amount arising from insurable loss or damage shall be treated as Common Expenses.

5.09 Liability of the Board of Directors. Neither the members of the Board nor the officers of the Association shall be liable to the Unit Owners for any mistake or judgment or for any other acts or omissions of any nature whatsoever unless held or deemed by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the members of the Board and each of the officers of the Association against all contractual and other liabilities to others arising out of contracts made by or other acts of the Board and officers of the Association on behalf of the Unit Owners or arising out of their status and Board members or officers unless any such contract or act shall have been made fraudulently or with gross negligence or contrary to the provisions of this Declaration. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid or received in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any member of the Board or officers of the Association may be involved by virtue of such persons being or having been such member or officer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such member or officer, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such member or officer. It is also intended that the liability of any Unit Owner arising out of any contract made by or other acts of the Board or officers of the Association, or out of the aforesaid indemnity in favor of the members of the Board and Officers of the Association, shall be limited to such proportion of the total liability hereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the Board on behalf of the Unit Owners shall be deemed to provide that the members of the Board are acting only as agents for the Unit Owners, and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements.

5.10 Liability of the Developer, Interim Board of Directors and Board of Directors for Reserve Accounts. Neither the Developer, Interim Board of Directors, Board of Directors of the Association, members of the Board nor the officers of the Association shall be liable to the Unit Owners for any breach of the Consumer Fraud and Deceptive Business Practice Act or breach of fiduciary duty in any way related to underfunding any reserve account or maintaining adequate reserve accounts, and all Unit Owners knowingly and voluntarily waive any right of action against the Developer, Interim Board of Directors, Board of Directors of the Association, members of the Board or the officers of the Association in any way related to underfunding any reserve account or properly maintaining adequate reserve accounts, and all Unit Owners knowingly and voluntarily release the Developer, Interim Board of Directors, Board of Directors of the Association, members of the Board or the officers of the Association for any liability related thereto.

5.11 **Resale of Units.** In the event of a resale (i.e. any sale made after the initial sale) of any Unit by a Unit Owner other than the Developer or the Declarant, and within thirty (30) days after the written request by such Unit Owner, the Board shall deliver a copy of each of the documents and make the disclosures described in and required by Section 22.1 of the Act. The Board shall be allowed to charge a reasonable fee, not to exceed the maximum amount prescribed by the Act, for providing such information.

ARTICLE VI
COMMON EXPENSES-MAINTENANCE FUND

6.01 **Preparation of Estimated Budget.** On or before November 1 of each year, 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 adequate reserves, including, without limitation, amounts to maintain a Capital Reserve, as hereinafter defined in Section 6.02 hereof, and within fifteen (15) days thereafter, notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemization thereof, including those portions intended for capital expenditures or repairs or payment of real estate taxes and containing each Unit Owner's respective assessment provided, however, that such annual budget shall be furnished to each Unit Owner at least thirty (30) days prior to its adoption by the Board. Said "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in Exhibit "C" attached hereto. On or before January 1 of the ensuing year, and the first day of each and every month of said year, each Unit Owner jointly and severally, shall be personally liable for and obligated to pay to the Board or as it may direct, one-twelfth (1/12) of the assessments made pursuant to this paragraph. On or before April 1 of each calendar year following the initial meeting of the Voting Members, the Board shall be personally liable for and obligated to pay to the Board or as it may direct, one-twelfth of the assessments made pursuant to this paragraph. On or before April 1 of each calendar year following the initial meeting of the Voting members, the Board shall supply to all Unit 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 upon the written request of any Unit Owner be prepared by a certified public accountant, in which event such accounting shall be due as soon as reasonably possible after such request. Any net shortage or excess shall be applied as an adjustment to the installments due under the current year's estimate in provisions of Section 6.02 hereof. For purposes of the Declaration and the management and operation of the Property, the calendar year shall be deemed to be the fiscal year of the Association.

6.02 **Capital Reserve; Supplemental Budget.** The Association shall segregate and maintain a special reserve account to be used solely for making capital expenditures in connection with the Common Elements (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Elements and equipment owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of equipment to be used by the Association in connection with its duties hereunder. Each budget shall disclose that percentage of the annual assessment which shall be added to the Capital Reserve and each Unit Owner shall be deemed to make a capital contribution to the Association equal to such percentage multiplied by each installment of the annual assessment paid by such Unit Owner. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such portions of any contingency reserve or Capital Reserve, as applicable, which remains unallocated. If the estimated Common Expenses contained in the budget prove inadequate for any reason or in the event a non-recurring Common Expense is anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or non-recurring expense for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a special or separate assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget. All Unit Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount. Any such special or separate assessment, if it involves proposed expenditures resulting in a total payment assessed to a Unit equal to the greater of (i) five (5) times the Unit's most recent monthly assessment or (ii) Three Hundred Dollars (\$300.00), shall be subject to the affirmative vote of at least two-thirds (2/3) of the total ownership of the Common Elements at a meeting specifically called for approving such special or separate assessment.

6.03 **Initial Budget.** The initial Board appointed by the Developer shall determine and adopt, prior to the conveyance of the first Unit hereunder, the “estimated cash requirement” for the initial period commencing with the first day of the month in which the sale of the first Unit is closed and ending on December 31 of the calendar year in which sale occurs, and shall continue to determine the “estimated cash requirement” for each succeeding calendar year until such time as the first Board elected hereunder takes office and which may include such sums as collected from time to time at the closing of the sale of each Unit. Assessments shall be levied against the Unit Owners during said periods as provided in Section 6.01 of this Article.

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

6.05 **Records of the Association.** The managing agent or Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgagees and their duly authorized agent or attorneys:

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

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

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

(d) Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to Section 25 of the General Not-For-Profit Corporation Act, approved July 19, 1943, as amended, shall be maintained.

(e) A reasonable fee may be charged by the Association or its Board for the cost of copying.

(f) Upon ten (10) days’ notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

6.06 **Status of Collected Funds.** All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments or user charges) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit C.

6.07 **Start-Up Costs.** At the time the initial sale of each Unit is closed, the purchaser of the Unit shall pay to the developer their pro-rata share of unexpired condominium insurance, and to the Association an amount equal to two (2) times the first full monthly assessment for each unit. This sum shall be used and applied for start-up costs and as working capital fund in connection with all initial operating expenses for the Common Elements and held for future working capital needs. This payment shall not be refundable or be applied as a credit against the Unit Owner’s monthly assessments.

The Board or the Developer shall have the right to transfer such funds from time to time as may be necessary to fund the Capital Reserve.

6.08 **User Charges.** The Board, or the Declarant or Developer, acting pursuant to Section 15.01 hereof, may establish and each Unit shall pay, user charges to defray the expense of providing services, facilities, or benefits which may not be used equally or proportionately by all of the Unit Owners or which, in the judgment of the Board, should be not charged to every Unit Owner. Such expense may include such services and facilities provided to Unit Owners which the Board determines should not be allocated among all of the Unit Owners in the same manner as the Common Expenses. Such user charges may be billed separately to each Unit Owner benefitted thereby, or may be added to such Unit Owner's share of the Common Expenses, as otherwise determined, and collected as a part thereof. Nothing herein shall require the establishment of user charges pursuant to this Section 6.08, and the Board or the Declarant or Developer may elect to treat all or any portion thereof as Common Expenses.

6.09 **Non-use and Abandonment.** No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his or their Units.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

7.01 The occupancy and use of the Units and the Common Elements shall be subject to the following restrictions:

(a) Each Unit (or any two or more adjoining Units together) shall be used for residential purposes and allowable business uses only (the "Permitted Uses"), in accordance with City of Chicago Zoning Ordinance, as amended from time to time. That part of the Common Elements separating any two or more adjoining Units which are owned by the same Unit Owner may be altered or removed to afford ingress and egress to and from adjoining Units; provided, however, that (i) such alteration or removal shall not impair or weaken the structural integrity of any Unit or any portion of the Common Elements; (ii) the Unit Owner shall furnish the Board not less than ten (10) days prior to the date the Unit Owner desires to commence such work all plans detailing the work to be done; (iii) the Board consents to the performance of such work and a Certificate of Insurance naming the Board as an additional insured for any liability; (iv) the expense of such alterations shall be paid in full by the Unit Owner making such alterations; and (v) such Unit Owner shall pay in full the expense of restoring such Common Elements to their former condition prior to such alterations in the event such Units cease to be used together; provided, however, that the foregoing subsections (ii) and (iii) shall not apply to the Developer or to the Declarant.

(b) The Permitted Uses shall include only those uses which are residential and which uses are allowed by the Chicago Zoning Ordinance. Specifically prohibited uses include all commercial and manufacturing uses, except those home office uses as permitted by the Chicago Zoning Ordinance.

(c) There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements (except in areas designated for such purpose, and except in areas which are Limited Common Elements serving exclusively the Unit of the Unit Owner obstructing same) without the prior consent of the Board or except as hereinafter expressly provided. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit.

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

(e) Except as specifically provided for in this Paragraph, no animals shall be raised, bred or kept in any Unit or the Common Elements, except for animals kept in a Unit by a Unit Owner as a house pet. Animals

of a breed or variety commonly kept as household pets shall be allowed to be kept in a Unit by a Unit Owner so long as they are not kept or bred for any commercial purpose, are not allowed to run loose on the Property, are kept in strict accordance with such other rules and regulations relating to household pets (which may further restrict the type as well as the number of pets permitted) as may be from time to time adopted or approved by the Board, and do not, in the judgment of the Board constitute a nuisance to others. Each Unit Owner and each Occupant shall be responsible for picking up after any animal bred or kept in such Unit Owner's or Occupant's respective Unit, including, without limitation, removing any waste deposited by such animal anywhere on the Common Elements.

(f) No noxious, unlawful 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 Unit Owners or Occupants or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

(g) 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. No Unit Owner shall overload the electric wiring in the Building, or operate machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior consent of the Board or the managing agent, acting in accordance with the Board's direction. No Unit Owner shall overload the floor of any Unit. Water beds and other furnishings which may cause floor overloads shall not be placed, kept or used in any Unit except only in accordance with advance written Board approval.

(h) No Unit Owner shall display, hang, store or use any signs, clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains or shade of a customary nature and appearance, subject to the rules and regulations of the Board which shall provide for notice to management company prior to any such installation and managing agent's approval of the method of installation prior to any such installation), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, dish or other receptive or transmitting device, or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the managing agent, acting in accord with the Board's direction; provided, however, that the foregoing shall not apply to the Developer or to the Declarant.

(i) Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in any area constituting part of the Common Elements except for such articles as may be stored in the Storage Spaces, should additional Storage Areas be designated by the Declarant, the Developer or the Board.

(j) During the period that the Declarant, the Developer, or their respective agents, successors, or assigns, are engaged in the marketing, sales or leasing of Units, or performing work in or about the Building, Declarant and Developer and their respective agents, employees, successors, assigns, contractors, subcontractors, brokers, licensees and invitees and each of them shall be entitled to (i) have access, ingress and egress to and from the Building and Common Elements as may be necessary or desirable in connection with the aforescribed marketing, sales, leasing of Units or performance of work; (ii) use or show one or more unsold and unconveyed Units or portion or portions of the Common Elements as a model Unit or Units (for sale or lease), sales office, construction, or refurbishment office or administrative or management offices of for such other purposes deemed necessary or desirable in connection with the aforescribed construction, refurbishment, administration, marketing, sales or leasing of units or performing work in or about the Building; (iii) post and maintain such signs banners and flags, or other advertising material in, or about the Building and Common Elements in such form as deemed desirable by Declarant or Developer, and as may be deemed necessary or desirable in connection with the marketing, sales, leasing or management of Units or performing work in or about the Building or in connection with (i) and (ii) above; and (iv) make alterations of and additions and improvements to, the Units or the Common

Elements in connection with any of the Declarant's or Developer's activities in connection with the refurbishment, renovation of the Building or the construction, promotion, marketing, sales or leasing of the Units or performing work in or about the Building. The foregoing shall not be amended or modified in any manner without the express written consent of the Developer or its successors or assigns.

(k) Each Unit Owner shall deposit with the Board duplicate keys for all locks relating to the entryway of the Unit.

(l) Hot water heaters must be installed in each Unit by a licensed and bonded contractor in accordance with rules and regulations adopted and approved by the Board.

ARTICLE VIII
DAMAGE, DESTRUCTION,
CONDEMNATION AND RESTORATION OF BUILDING

8.01 **Sufficient Insurance.** In the event the improvements forming a part of the property, or any portion thereof, including any Units, 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, plus Capital Reserves, shall be insufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds and, if necessary, the Capital Reserve shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event within one hundred eighty (180) days after said damage or destruction, the Unit Owners shall elect either to sell the Property as hereinafter provided in Article IX hereof or to withdraw the property from the provisions of this Declaration, and from the provisions of 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 Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in Exhibit "C". After first paying from the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

8.02 **Insufficient Insurance.**

(a) If the insurance proceeds and the Capital Reserve are insufficient to reconstruct the Building and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of the Building within one hundred eighty, (180) days from the date of damage or destruction, then the provisions of the Act shall apply.

(b) In the case of damage or other destruction in which fewer than one-half (½) of the Units are rendered uninhabitable, upon the unanimous affirmative vote of the Unit Owners voting at a meeting called for the purpose, the Building or other portion of the property shall be reconstructed. The meeting shall be held within thirty (30) days following the final adjustment of insurance claims, if any, otherwise, such meeting shall be held within ninety (90) days of the occurrence of the damage or other destruction. At such meeting the Board or its representatives, shall present to the members present, an estimate of the cost of repair or reconstruction, and the estimated amount of necessary assessments against each Unit Owner.

(c) In the case of damage or other destruction, upon the unanimous affirmative vote of the Unit Owners voting at a meeting called for that purpose, any portion of the Property affected by such damage or destruction maybe withdrawn from the Act. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit, as determined by the Board. The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Any insurance or other proceeds available in

connection with the withdrawal or any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage interest therein. Any proceeds available from the withdrawal of any Limited Common Elements will be distributed in accordance with the interest of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof by the Unit Owner shall cease.

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

8.04 Repair, Restoration or Reconstruction of the Improvements. As used in this Article, "repair, restoration or reconstruction" of improvements means restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and Common Element having the same vertical and horizontal boundaries as before, unless, if allowed by the Act, other action is approved by holders of first mortgages on Units which have more than fifty percent (50%) of the votes in the Association. Any repair, restoration or reconstruction shall be in accordance with law, this Declaration and the Act.

ARTICLE IX **SALE OF PROPERTY**

At a meeting duly called for such purpose and attended by all Unit Owners, the Unit Owners, the Unit Owners by affirmative vote of one hundred percent (100%) of the Unit Owners, may elect to sell the Property as a whole. Within ten (10) days after the date of the meeting at which such sale was approved the Board shall give written notice of such action to the holder of any duly recorded mortgage or trust deed against any Unit entitled to notice under Section 15.02 of this Declaration. Such action shall be binding upon all Unit Owners and it shall thereupon become the duty of every Unit Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect such sale.

ARTICLE X **REMEDIES**

10.01 Violations. Upon the occurrence of any one or more of the following event. The Board shall have the rights and remedies set forth in Section 10.02 of this Declaration:

(a) Failure by a Unit Owner to pay when due any sums required to be paid by such Unit Owner pursuant to Sections 4.05, 4.06 and 4.08(b), Article VI, or other provisions of this Declaration, for thirty (30) days after written notice of such non-payment shall have been given such Unit Owner; provided that such defaulting

Unit Owner shall not be entitled to written notice and opportunity to cure such failure if such Unit Owner has been given three or more notices pursuant to this Section 10.01(a) during the twelve-month period immediately preceding the first day of such failure.

(b) Violation or breach by a Unit Owner (or any occupant of his Unit) or any provision, covenant or restriction of the Act, Declaration, the By-laws, contractual obligation to the Board or Association undertaken by such Unit Owner, or rules and regulations promulgated by the Board, and continuation of such violation or breach for thirty (30) days after written notice thereof shall have been given such Unit Owner; provided that such defaulting Unit Owner shall not be entitled to written notice and opportunity to correct such violation or breach if such Unit Owner has been given three or more notices pursuant to this Section 10.01(b) during the twelve-month period immediately preceding the first day of such violation or breach.

10.02 Remedies. Upon the occurrence of any one or more of the events described in Section 10.01, the Board shall have the following rights and remedies:

(a) The Board shall have the right to immediate possession of the defaulting Unit Owner's Unit after service by the Board on such Unit Owner, in the manner set forth in Section 15.03 hereof, of a notice to quit and deliver up possession which right may be enforced by an action for possession under "An Act in Regard to Forcible Entry and Detainer," approved February 16, 1874, as amended .

(b) For a violation or breach described in Section 10.01(b) hereof, the Board shall have the right: (i) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove or do whatever else may be necessary to correct, at the expense of the defaulting Unit Owner, any such violation or breach or the cause of such violation or breach, and the Declarant, or Developer, or their successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner or trespass; (ii) to enjoin, abate, or remedy by a proceeding at law or in equity the continuance of any such violation or breach.

(c) Upon the occurrence of one of the events described in Section 10.10(a) hereof, including without limitation, failure by a Unit Owner to pay his percentage share of Common Expenses or user charges, the Board shall have a lien on the interest of the defaulting Unit Owner in his Unit Ownership in the amount of any sums due from such Unit Owner; provided, however, that such lien shall be subordinate to the lien of a prior recorded mortgage on the interest of such Unit Owner. Except as hereinafter provided, the lien provided for in this Section 10.02(c) shall not be affected by any transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure such transfer of title shall, to the extent permitted by law, extinguish the lien described in this Section 10.02(c) for any sums which became due prior to (i) the date of the transfer of title or (ii) the date on which the transferee comes into possession of the Unit, whichever occurs first. However, the transferee of a Unit Ownership shall be liable for his share of any sums with respect to which a lien against this Unit Ownership has been extinguished pursuant to the preceding sentence which are reallocated among the Unit Owners pursuant to a subsequently adopted annual revised or special assessment, and non-payment thereof by such transferee shall result in a lien against the transferee's Unit Ownership as provided in this Section 10.02(c).

(d) The Board shall have the power to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate the right of said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use, or control his Unit and thereupon an action may be filed by the Board against the defaulting Unit Owner for a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit by him and ordering that all the right, title and interest of said defaulting Unit Owner in the Property shall be sold at a judicial sale, upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the defaulting Unit Owner from reacquiring his interest in the Unit Ownership at such judicial sale. It shall be a condition of any such sale, and the decree shall so provide that purchaser shall take the interest in the Unit Ownership sold subject to this Declaration. The proceed 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 Unit Owner in said decree. Any balance of

proceeds, after satisfaction of such charges and any unpaid assessments or other sums due hereunder or any liens shall be paid to the defaulting Unit Owner. Upon the confirmation of such sale, the purchaser at such sale shall be entitled to a deed to the Unit Ownership and to immediate possession of the Unit sold and may apply to the court for an order for possession for the purpose of acquiring such possession.

(e) In addition to or in conjunction with the remedies set forth above, the Board or its agents shall have the right to bring an action at law or in equity against the Unit Owner or occupant of the Unit as permitted by law including, without limitation, an action (i) to foreclose a lien against the Unit Ownership, (ii) for damages, injunctive relief, or specific performance, (iii) for judgment or for the payment of money and the collection thereof and for a possession order, (iv) for any combination of the remedies set forth in this Article or (v) for any other relief which the Board or court may deem necessary or appropriate. Any and all rights and remedies provided for in the act, this Declaration, the By-laws, contractual obligation to the Board or Association undertaken by such Unit Owner, or rules and regulations promulgated by the Board may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to exercise any such rights or remedies to enforce any provisions of this Declaration, the By-laws or rules and regulations of the Board shall in no event be deemed a waiver of the right to do so thereafter.

(f) Upon the occurrence of one of the events described in Section 10.01(a), the Board may accelerate the maturity of the remainder of installments of Common Expenses due from such defaulting Unit Owner for the balance of the assessment year.

(g) All expenses incurred by the Board in connection with any actions, proceedings or self-help in connection with the exercise of its rights and remedies under this Article, including without limitation court costs, reasonable attorneys' fees and all other fees and expenses, and all damages, together with interest thereon at the rate of eighteen percent (18%), or such lesser rate charged by law if such 18% is held to be in excess of the maximum legal rate allowable by law, per annum shall be charged to and assessed against the defaulting Unit 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 Unit Owner and upon all of his additions and improvements thereto and upon all his personal property in his Unit or located elsewhere on the Property.

10.03 Enforcement by Unit Owners. Any aggrieved Unit Owner may enforce the provisions of this Declaration, the By-laws, or any rules and regulations promulgated by the Board by an action at law or in equity against the defaulting Unit Owner (or occupant of his Unit) upon a violation or breach described in Section 10.01(b) hereof or against any other person or persons either to restrain such violation or breach or to recover damages, provided the Unit Owner shall first conduct arbitration through a private alternative dispute resolution service which is then operating in Chicago, Illinois, as set forth in Article XI, below.

ARTICLE XI **ARBITRATION**

11.01 Intention of Declarant Concerning Deadlock Between Owners and Board Members. Declarant is aware that, from time to time, the Unit Owners or Board members may disagree as to a course of action for the Association. Such disagreement may result in a condition of deadlock on matters of great importance to the Association, the Property and to present and future Unit Owners, which condition Declarant finds to be potentially injurious to the Association, the Property and to the Unit Owners. It is the desire and intention of Declarant to provide herein for the submission of such disagreements to binding arbitration as hereinafter provided

11.02 Arbitration of Voting Deadlock. In the event that this Declaration provides for the vote of Unit Owners or of the Board on any question, and a condition of deadlock occurs (as hereinafter defined), the question to be voted upon must be submitted to arbitration in the City of Chicago, Illinois within a reasonable period of time after the dispute manifests itself, but no later than sixty (60) days after the condition of deadlock. Any submission to arbitration hereunder shall be instituted upon the action of any Unit Owner(s) or Board member(s), as the case may be, by written

notice thereof mailed to the other Unit Owners and/or Board members. In the event that such notice is given, the Unit Owners and/or Board members, by written notice thereof mailed to the other Unit Owners and/or Board members, shall meet within ten (10) days after the date of such notice and appoint an individual to act as an arbitrator from a list of available arbitrators at a private alternative dispute resolution service then operating in Chicago, Illinois. This arbitrator shall be experienced with the subject matter of the disagreement, and who is mutually acceptable to the Unit Owners or Board members, as the case may be. In the event that an arbitrator is appointed, the matter of disagreement shall be submitted to the arbitrator, who shall render a decision which shall be final, binding and conclusive upon both Board members.

In the event that the Unit Owners or Board members cannot agree concerning such appointment within the said ten (10) day period, then each shall appoint an individual who is experienced with the subject matter of the disagreement to act as an arbitrator on his behalf within five (5) days after the expiration of the said ten (10) day period. In the event that either Unit Owners or Board members, as the case may be, fail to appoint an arbitrator within said five (5) day period, then the arbitrator selected by the Unit Owner or Board member shall appoint such arbitrator within five (5) days after the expiration of said five (5) day period. The two arbitrators so chosen shall meet within ten (10) days after the date of appointment of the second arbitrator and appoint a third arbitrator. The three arbitrators shall meet within ten (10) days after the date of appointment and render a decision (concurred on by at least two of the three arbitrators) which shall be final, binding and conclusive upon Unit Owners or Board members.

For all purposes, a condition of "deadlock" shall exist whenever neither side to a question shall obtain a majority of the votes cast on such question at a meeting of the Board or of the voting members, whichever is applicable, which meeting has been duly called and constituted in accordance with this Declaration.

11.03 Agreement of Unit Owners and Others to be Bound. Each grantee of the Declarant and each subsequent grantee, by the acceptance of a deed of conveyance, each Purchaser under Articles of Agreement for Deed, each tenant under a lease for a Unit, and each mortgagee under a mortgage covering any Unit, accepts the same subject to the terms of this Article XI and thereby agree to be bound by the decision of any arbitrator rendered hereunder, in like manner as though the provisions of this Article XI were recited and stipulated at length in each and every deed of conveyance, lease and mortgage.

All arbitration decisions pursuant to this Article XI may be enforced in any manner in which the arbitrator(s) shall direct and judgment may be entered thereon in any court, having jurisdiction thereof. The costs of such arbitration shall be borne as an operating expense of the Association.

Nothing contained herein shall prevent the Board members or Unit Owners from availing themselves of the rights and remedies granted to persons in Cook County Chancery Court, should there be no adequate remedy at law to such aggrieved Unit owner or Board Member, or from availing themselves of any other right or remedy contained in the Declaration. All other disputes must be subjected to this Article XI and its mandatory arbitration provisions.

ARTICLE XII

MISCELLANEOUS PROVISIONS RESPECTING MORTGAGES

The following provisions are intended for the benefit of each holder of a recorded first mortgage or trust deed encumbering a Unit Ownership ("First Mortgagee") and to the extent, if at all, that any other provisions of this Declaration conflict with the following provisions, the following provisions shall control:

(a) Upon request in writing to the Association identifying the name and address of the first Mortgagee or the insurer or guarantor of a recorded first mortgage or trust deed on a Unit ("Insurer or Guarantor") and the Unit number, the Association shall furnish each First Mortgagee, Insurer or Guarantor a written notice of any Unit Owner's obligations under this Declaration which is not cured within thirty (30) days. Any first Mortgagee of a Unit, as well as any other holder of a prior recorded mortgage on a Unit, who comes into possession of the said Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure shall, to the extent permitted by law, take such property free of any

claims for unpaid assessments or charges in favor of the Association against the mortgaged Unit which become due prior to (i) the date of the transfer of title or (ii) the date on which the holder comes into possession of the Unit, whichever occurs first except for any sums which are reallocated among the Unit Owners pursuant to the sentence of Section 10.02(c) hereof.

(b) Upon request in writing, each first Mortgagee Insurer or Guarantor shall have the right:

(i) to examine current copies of this Declaration, the By-laws, rules and regulations and the books and records of the Association during normal business hours;

(ii) to receive without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Unit Owners at the end of each of its respective fiscal years, provided, however, that in the event an audited financial statement is not available, 51 % or more of the First Mortgagees (by number) shall be entitled to have such an audited statement prepared at their expense;

(iii) to receive written notice of all meetings of the Association and to designate a representative to attend all such meetings;

(iv) to receive written notice of any decision by the Unit Owners to make a material amendment to the Declaration, By-laws contained herein or Articles of Incorporation;

(v) to receive written notice of any lapse, cancellation or modification of any insurance policy or fidelity bond maintained by the Association; and

(vi) to receive written notice of any action which would require the consent of a specified percentage of First Mortgagees.

(c) No provision of this Declaration or Articles of Incorporation of the Association or any similar instrument pertaining to the Property or the Units therein shall be deemed to give a Unit Owner or any other party priority over the rights of the First Mortgagees pursuant to their mortgages in the case of distribution or Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Unit, and/or the Common Elements, or any portion thereof or interest therein. In such event, the First Mortgagees, Insurers or Guarantors of the Units affected shall be entitled, upon specific written request, to the timely written notice of any such loss.

(d) Unless the First Mortgagees of all of the Units which are part of the Property have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to:

(i) by the act or omission seek to abandon or terminate the condominium regime, except for abandonment provided by the Act in case of substantial loss to or condemnation of the Units and/or the Common Elements.

(ii) change the pro rata interest or obligations of any Unit Owner for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and (2) determining the pro rata share of ownership of each Unit Owner in the Common Elements, except as provided in Sections 8.02 and 8.03;

(iii) use hazard insurance proceeds for losses to any Property (whether to Units or to Commons Elements) for other than the repair, replacement, or construction of such improvements, except as provided by the Act in case of substantial loss to the Units and/or the Common Elements.

(e) Unless the First Mortgagees of the individual Units representing at least fifty-one percent (51%) of the votes in the Association have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to do or permit to be done any of the following:

(i) Adoption of an amendment to this Declaration which (1) changes Section 10.02(c), (2) changes Article XI or any other provision of this Declaration which specifically grants rights to First Mortgagees, or (3) materially changes insurance and fidelity bond requirements (unless fidelity bonds are not required by the Act);

(ii) The abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Elements, (except for the granting of easements for public utilities or for other purposes consistent with the intended use of the Property and except for the encumbrance, sale or transfer of the percentage of ownership in the Common Elements in connection with the encumbrance, sale or transfer of a Unit Ownership);

(iii) The removal of all or a portion of the Property from the provisions of the Act and this Declaration; or

(iv) The sale of the Property.

(f) Upon specific written request to the Association, each First Mortgage, Insurer or Guarantor of a Unit shall be furnished notice in writing by the Association of any damage to or destruction or taking of the Common Elements if such damage or destruction or taking exceeds Ten Thousand Dollars (\$10,000.00), or if damages shall occur to a Unit in excess of One Thousand Dollars (\$1,000.00), notice of such event shall also be given.

(g) If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the First Mortgagee, Insurer or Guarantor of said Unit will be entitled to timely written notice, upon specific written request, or any such proceeding or proposed acquisition and no provisions of any documents will entitle the owner of a Unit or other party to priority over such First Mortgagee with respect to the distribution to such Unit of the proceeds of any award or settlement.

(h) Whenever required, the consent of a First Mortgagee shall be deemed granted unless the party seeking the consent is advised to the contrary in writing by the First Mortgagee within thirty (30) days after making the request for consent.

ARTICLE XIII **R E S E R V E D**

ARTICLE XIV **LEASING OR OTHER ALIENATION**

14.01 **Right of First Refusal.** No right of first refusal exists in the Declaration.

14.02 **Limits on Lease Terms.** If a Unit Owner (other than the Developer or the Declarant) leases a Unit, a copy of such lease shall be furnished to the Board within Ten (10) days after execution thereof. The Lessee under such Lease shall be bound by and shall be subject to all of the non-monetary obligations of the Unit-Owner-Lessor under the Declaration and each such lease shall expressly so provide. The Unit-Owner-Lessor shall not be relieved thereby from any of said obligations. No Unit Owner may lease his Unit for a period of less than one (1) year for the initial term of the Lease or lease his Unit for hotel or transient purposes. The Board may impose reasonable rules upon the leasing of Units.

**ARTICLE XV
RESERVED**

**ARTICLE XVI
GENERAL PROVISIONS**

16.01 **Certain Rights of the Declarant and Developer.** Until the time established by the Declaration for the election of the initial Board by the Unit Owners, the rights, titles, powers, privileges, trust, duties and obligations vested in or imposed upon the Board in the Act and in this Declaration shall be held and performed by the Declarant and/or Developer or its mortgagee. If the initial Board shall not be elected by the Unit Owners at the time established by the Declaration, the Declarant and/or Developer shall continue in the aforesaid office for a period of thirty (30) days after written notice of its resignation is sent to all of the Unit Owners entitled to vote at such election. In exercising such rights and the other rights reserved by the Declarant and/or Developer pursuant to this Declaration, the Declarant and/or Developer shall not be under any disability which would otherwise be imposed by law by reason of the Declarant's and/or Developer's interest in the subject matter of any transaction provided, however, that any transaction shall have been entered into in good faith.

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

16.03 **Manner of Giving Notices.** Notices provided for in this Declaration and in the Act shall be in writing and shall be addressed to the Board or Association, or any Unit Owner, as the case may be, at the Unit address of any member of the Board or any Unit Owner, as the case may be, or at such other address as herein provided. Any Unit Owner may designate a different address or addresses 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 a Unit Owner, when deposited in his mailbox as such address as he may have designated pursuant hereto or, if he has not so designated, in the Building or at the door of his Unit in the Building.

16.04 **Notices of Estate or Representatives.** Notices required to be given any devisee, heir or personal representative of a deceased Unit 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 Unit Owner is being administrated.

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

16.06 **Commercial Entertainment.** Certain principals of the Developer or any of the entities constituting the Developer may from time to time hold interests in entities which may have interests in or rights to receive a portion of, the profits arising from the providing of cable television, a master antenna services to the Property, including any Additional Parcels.

16.07 **No Waivers.** 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.

16.08 Change, Modification or Rescission. No provision of this Declaration affecting the rights, privileges and duties of the Declarant or Developer may be modified without its written consent. The provisions of Article XI and Sections 10.02, 15.13 and the following provisions of Section 15.08 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 President or a Secretary of the Board, and by all the Unit Owners and all mortgagees having bona fide liens of record against all of the Unit Ownerships. Other provisions of this Declaration may be changed, modified or rescinded as provided in Section 15.13 or by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the President or a Secretary of the Board and approved by the Unit Owners having in the aggregate, at least sixty seven percent (67%) of the total vote at a meeting called for that purpose provided, however, that all holders of first mortgages of record have been notified by certified mail of any change, modification, or rescission, and an affidavit by the Secretary of the Board certifying to such mailing is made a part of such instrument and provided further that any provisions herein which specifically grant rights to holders of first mortgages of record may be amended only with the written consent of all such holders of first mortgages. 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 such change, modification or rescission shall change the boundaries of any Unit, the allocation of percentages of ownership in the Common Elements and votes in the Association, quorum and voting requirements for action by the Association, or liability for Common Expenses assessed against any Unit, except to the extent authorized by other provisions of this Declaration or by the Act.

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

16.10 Perpetuities and Other Invalidity. If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue until twenty one (21) years after the death of the survivor of the now living lawful descendants of George W. Bush, President of the United States.

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

16.12 Ownership By Land Trustee. In the event title to any Unit Ownership is conveyed to a land title holding trust, under the terms of which all powers 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 obligation, 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 trustees shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Unit Ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title of such Unit Ownership.

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

make, or consent to a Special Amcndment on behalf of each Unit Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Developer and/or Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Developer and Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant or Developer no longer holds or controls title to a Unit.

16.14 Assignments by Developer. All rights which are specified in this Declaration to be rights of the Developer are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of the Developer hereunder (whether as the result of voluntary, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of Developer hereunder as fully as if named as such party herein. No party exercising rights as Developer hereunder shall have or incur any liability for the acts of any other party which previously excrcised or subsequently shall exercise such rights.

IN WITNESS WHEREOF, State Bank of Countryside, not individually but solely as Trustee under Trust #98-1888 dated March 19, 1998, has caused its Trust Officers to affix their signatures hereunto and caused its company name to be signed in these presents by its Trust Officers, this 14 day of Nov, 2001.

This document is signed by State Bank of Countryside not individually but solely as Trustee under Trust Agreement mentioned in said document. Said Trust Agreement is hereby made a part hereof and any claims against said Trustee which may result from the signing of this document shall be payable only out of any Trust property which may be held thereunder, except that no duty shall rest upon the State Bank of Countryside personally or as Trustee to sequester any of the earnings, avails or proceeds of any real estate in said Trust. Said Trustee shall not be personally liable for the performance of any of the terms and conditions of the title of said property or for any agreement with respect thereto. Any and all personal liability of the State Bank of Countryside is hereby expressly waived by the parties hereto and their respective successors and assigns. All warranties, covenants, indemnities and representations of each kind are those of the Trustee's beneficiaries only and shall not in any way be considered the responsibility and liability of the State Bank of Countryside. This Trustee's exculpatory clause shall be controlling in the event of a conflict with any other documents executed by State Bank of Countryside as Trustee.

State Bank of Countryside, not individually but solely as Trustee under Trust #98-1888 dated March 19, 1998,

By: Jean Micka
Trust Officer JOAN MICKA, ASST. V.P.

Attest: William O. Kerth
Assistant Trust Officer WILLIAM O. KERTH, Vice Pres.

STATE OF ILLINOIS)
COUNTY OF COOK) SS:

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that JOAN MICKA, Asst. V.P., Trust Officer of State Bank of Countryside, not individually but solely as Trustee under Trust #98-1888 dated March 19, 1998, and WILLIAM O. KERTH, Vice Pres., Assistant Trust Officer, who are personally known to me to be the persons whose names are subscribed to the foregoing instrument as such, 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 Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 14 day of Nov, A.D., 2001.

SEAL

Martha A. Czarnik-Thompson
Notary Public

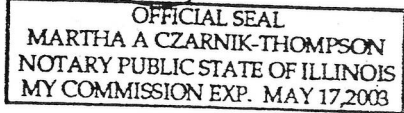


EXHIBIT B

**LEGAL DESCRIPTION
FOR 2423 WEST HARRISON STREET, CHICAGO, COOK COUNTY, ILLINOIS**

LOT 91 IN H. R. SPOFFORD'S SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 16-13-403-012-0000

Commonly known as: 2423 West Harrison Street, Chicago, Cook County, Illinois, 60612.

EXHIBIT C

ESTIMATED PERCENTAGE OF OWNERSHIP INTEREST IN THE COMMON ELEMENTS
2423 WEST HARRISON CONDOMINIUMS

<u>Unit</u>	<u>Percentage Ownership of Common Elements</u>
1	30.77%
2	32.47%
3	<u>36.76%</u>
Total	100.00%

EXHIBIT D

SCHEDULE OF PARKING SPACES
2423 WEST HARRISON CONDOMINIUMS

<u>Unit</u>	<u>LCE Parking Space Schedule</u>
1	P-1
2	P-2
3	P-3

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

CERTIFICATE OF DEVELOPER

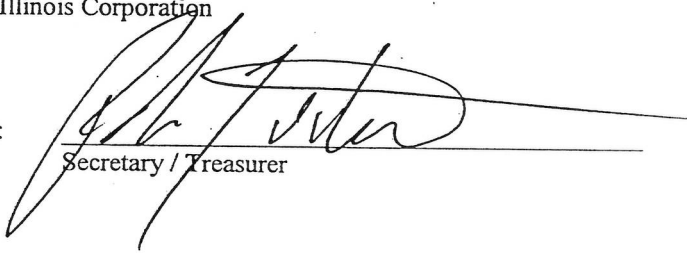
The Officer of PNS Enterprizes, Inc., an Illinois Corporation, being first duly sworn on oath, depose and state as follows:

1. No Notice of Intent as required by Section 30 of the Illinois Condominium Property Act was given as there were no tenants of the Parcel as the property was vacant during the process of new construction.

IN WITNESS WHEREOF, the undersigned executed this Certificate on the 16th day of November, 2001.

PNS Enterprizes, Inc.,
an Illinois Corporation

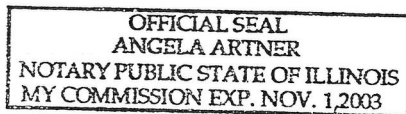
By:

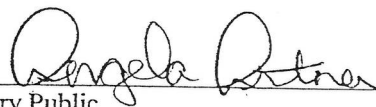

Secretary / Treasurer

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Peter T. Vitogiannis, Secretary/Treasurer of PNS Enterprizes, Inc., an Illinois Corporation, who are personally known to me to be the persons whose names are subscribed to the foregoing instrument as such, 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 Corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 16th day of November, A.D., 2001.




Notary Public

MORTGAGEE'S CONSENT

State Bank of Countryside, an Illinois Banking Organization, holder of a Note secured by a certain Mortgage dated April 20, 2000 and recorded with the Recorder of Deeds of Cook County, Illinois on April 27, 2000 as Document #00-295249, made by State Bank of Countryside, an Illinois Banking Organization, not individually but solely as Trustee under Trust #98-1888 dated March 19, 1998, hereby consents to the execution and recording of the Declaration of Condominium Ownership and of Easements, Restrictions, Covenants and By-Laws for 2423 West Harrison Condominium Association, and agrees that said Mortgage is subject to the provisions thereof and of the Condominium Property Act of the State of Illinois.

IN WITNESS WHEREOF, State Bank of Countryside has caused its imprimatur to be affixed hereunto by virtue of its name being signed by its DOUGLAS E. OLDFIELD Commercial Loan Officer and attested to by its JOAN MICKA, Asst. V.P. Secretary this 14 day of Nov, 2001.

State Bank of Countryside,
a banking organization,

By:


DOUGLAS E. OLDFIELD
Commercial Loan Officer

ATTEST:



JOAN MICKA, Asst. V.P.
Its: _____ Secretary

EXHIBIT A

CONDOMINIUM PLAT OF SURVEY
2423 WEST HARRISON CONDOMINIUMS

TRANSMISSION VERIFICATION REPORT

TIME : 02/01/2010 07:49
NAME : FBI CHICAGO
FAX : 3128297070
TEL : 3128297070
SER.# : BROB3J197814

DATE, TIME
FAX NO./NAME
DURATION
PAGE(S)
RESULT
MODE

02/01 07:41
916308480478
00:07:55
44
OK
STANDARD
ECM

To: Candice

First Quality Mortgage

Fr: Pat

2423 W. Harrison

Re: Gould

Bank of America  **Wholesale Lending**
Home Loans **Condominium Homeowner's Association Certification**

Loan Number: 218688324

Unit #:

TO BE COMPLETED AND EXECUTED BY AN AUTHORIZED HOMEOWNER'S ASSOCIATION SIGNATORY AND RETURNED TO:

BANK OF AMERICA
ADDRESS:

ATTENTION: PHONE: FAX:
ELECTRONIC COPIES MAY BE E-MAILED TO: @BANKOFAMERICA.COM

Project Name: Subject Phase #
Project Address: 2423 WEST HARRISON STREET APT 1 CHICAGO IL 60612

GENERAL INFORMATION

- The Project is a: Condominium Condominium Hotel Detached Attached Other - describe: Yes No
 2-4 Unit
a) Does any single entity (the same individual, investor group, partnership, or corporation) own more than one unit within the project? Yes No
b) Are all the units, common elements, and facilities within the project 100% complete? Yes No
c) Are all but one unit in the project conveyed to owner-occupant principal residence or second home purchasers? Yes No
- Is there more than one association for the project, such as a "Master" or "Umbrella" Association Yes No
a) If yes, what is the name of the Master Association: _____
- Title to the units held (Check one of the following): Fee Simple, Leasehold Yes No
- Was the project created by the conversion of an existing building during the past three years? (If YES, please attach a copy of the original architect or engineer's report that was obtained at the time of conversion) Yes No
- Are any of the units in the project subject to Affordable Housing Deed Restrictions or Resale Restrictions? Note: If yes, provide a copy of the restriction documents. Yes No
- Is the Project a legally phased project? (If YES, please list the Phase Numbers, building numbers in each phase, and the number of units in each phase): Yes No

SUBJECT LEGAL PHASE INFORMATION			ENTIRE PROJECT INFORMATION		
Phase number			Total number of phases		
Identify all building numbers for the phase			Total number of buildings in the project		
Total number of units in the phase			Total number of units in the project		
Total number of units in the phase which are substantially complete*			Total number of units in the project which are substantially complete*		
Total number of units for sale			Total number of units for sale		
	Under contract	Closed		Under contract	Closed
Total number of units sold			Total number of units sold		
Total number of investor units			Total number of investor units		
Total number of owner occupied or 2 nd home units			Total number of owner occupied or 2 nd home units		

*Substantially complete is defined as weather tight, exterior painted, and units accessible. The completion of the interior finishes of the individual units is not required.

- Are all units, common elements and amenities in the Project complete? Yes No
 - If NO, are all units, common elements and amenities in the Subject Phase complete? Yes No
 - Do the unit owners have sole ownership in and exclusive right to use the project facilities? Yes No

Note: If no, provide a copy of any use agreements/easements for recreational amenities, parking, facilities and services.
- Is the project subject to additional phasing, annexation or add-ons? Yes No
- Does any single entity, individual, or group own more than 10% of the total units in the project? (If YES, please indicate the number of units in excess of 10% which are owned by each entity, individual or group): Yes No



Wholesale Lending Condominium Homeowner's Association Certification

11. a.) Do the unit owners participate in a rental pooling agreement? Yes No
 Note: rental pooling refers to the practice of combining the rental income from all units and then sharing the proceeds amongst all participating unit owners
- b.) Is there a check-in desk (registration) for the leased/rented units? Yes No
- c.) Does the Homeowners Association use advertising, web site or signage promoting rentals? Yes No
 Note: Attach a copy of the advertising or provide the web site address
- d.) Does the Association provide a cleaning service for rented units? Yes No
- e.) Are any services within the project provided by a hotel, motel or resort operator? Yes No
- f.) Does the project allow Timeshares or Fractional Interest ownership on any units? Yes No
- g.) Is the Project an "Assisted Living Community" that provides meals and/or medical care? Yes No
- h.) Are daily and/or weekly rentals allowed? Yes No
- i.) Are the units typically sold furnished? Yes No
- j.) Are any of the units in the project less than 500 square feet? Yes No
- k.) Do all the units have a full kitchen?
 Note: a full kitchen consists of an area that is separate from the bath area and includes:
 separate sink, counter top, cabinet storage, cook top, oven or microwave convection combo
 and refrigerator. Yes No
- l.) Are there any unit owner restrictions on year-round occupancy (aka blackouts)? Yes No
12. Is there any litigation pending with regard to the project? Yes No
 (If YES, please provide a copy of the litigation complaint, attorney summary of the issues and repair reports if applicable)
13. Is the individual unit separately metered? Yes No
14. Can any of the units in the project be used both as a residence and a retail/commercial place of business or professional artist studio (aka Live-Work)? Yes No
15. Are there any identified environmental hazards affecting the property? Yes No
 Note: If yes, attach explanation and any supporting documentation such as Environmental Report

COMMERCIAL/NON-RESIDENTIAL USE INFORMATION

16. Is any of the project commercial? Yes No
 If YES, what percentage of the project does the commercial space occupy? _____ %

CONTROL/TRANSFER INFORMATION

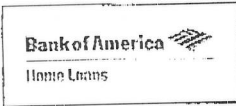
17. Has control of the Homeowner's Association been turned over to the unit owner's?
 YES, control was turned over in (month/year) _____
 NO, the anticipated date for the transfer of control is (month/year) _____

CONDOMINIUM DOCUMENT REQUIREMENTS:

18. The condominium association and association documents:
- a.) Are created in accordance to state law and other applicable laws and regulations Yes No
- b.) May contain a first right of refusal and if applicable the right of first refusal does not impact the rights of mortgagees or its assignees to: Foreclose or take title to a unit, Accept a deed or assignment in lieu of foreclosure or Sell or Lease a unit acquired by the mortgagee or its assignee Yes No
 N/A
- c.) Can only be amended with respect to items that have a materially adverse impact to mortgagees with the approval of 51% of the mortgagees Yes No
- d.) Can only be terminated for substantial destruction or condemnation without mortgagee approval or with other cause and 51% mortgagee approval Yes No
- e.) May provide for implied mortgagee approval when a mortgagee fails to respond after 60 days written notice provided notice was delivered by certified or registered mail with a return receipt requested. Yes No
 Note if documents were recorded prior to Aug. 23, 2007, the notice may be a minimum of 30 days.
- f.) Provide for notification under the following circumstances: Condemnation or casualty loss, 60 day delinquency for the association assessment on a mortgaged unit, lapse-cancellation or material change to the master insurance policy, any action that requires consent of a specified % of mortgagees. Yes No
- g.) Do not grant any party priority over the first mortgagee regarding the insurance proceeds or condemnation awards Yes No
- h.) State that the mortgagee is not responsible for more than six months unpaid dues when a unit is obtained through foreclosure or deed-in-lieu Yes No

Note: In lieu of a response to #18 it may be necessary for the association to provide an attorney's opinion letter on these items with a copy of the recorded condominium declaration (master deed) and an executed copy of the condominium by-laws.

BUDGET/FINANCIAL INFORMATION



Wholesale Lending Condominium Homeowner's Association Certification

19. The monthly Homeowner's Association Dues are:
- The same for all units. The assessment is: \$ _____ per month
- Different for each unit. The assessment range is from: \$ _____ to \$ _____ per month
20. The amount currently held in a RESERVE Account for future repairs and/or replacement of minor components of the Project is:
- \$ _____
21. Have the homeowners voted a special assessment within the last two years? Yes No
- If YES, please describe the nature/purpose, the amount, and per unit charge:
23. Number of units in the project that are over one month delinquent on payment of dues _____
24. Please attach a current copy of the Homeowner's Association budget and a financial statement for the most recent fiscal year available.

INSURANCE INFORMATION

25. Provide the following insurance information for the Project. Note in lieu of completing the insurance section you may attach a copy of the Insurance Declaration page(s) for all insurance policies. Yes No

Insurance Company Name: _____

Agent's Name: _____ Telephone: _____

Building/Hazard/Common Elements Amount: \$ _____ Expiration/Renewal Date: _____

100% Replacement Cost: Yes No

Liability Amount: \$ _____ Expiration/Renewal Date: _____

Flood Amount (if applicable): \$ _____ Expiration/Renewal Date: _____

Fidelity Bond Amount: \$ _____ Expiration/Renewal Date: _____

HOMEOWNER'S ASSOCIATION CERTIFICATION

The undersigned hereby certifies that to the best of his/her knowledge and belief the information and statements contained on this form and any attachments are true and correct. The undersigned further represents that he/she is authorized by the Homeowner's Association Board of Directors to provide this information on behalf of the Association.

Homeowners' Association/Management Company Name _____ Telephone _____

Signature _____ Date _____

Name _____ Title _____

Bank of America Reviewed by _____ Date _____