

This document prepared by and after
recording should be mailed to:

Law Offices of Kulas & Kulas
2329 W. Chicago Ave.
Chicago, Il. 60622

**DECLARATION OF CONDOMINIUM
PURSUANT TO THE CONDOMINIUM
PROPERTY ACT**

²⁵
~~825~~ **NORTH HUDSON CONDOMINIUMS**

This Declaration made and entered into this _____ day of _____, 2006
by 825 Hudson, LLC, an Illinois limited liability company, (hereinafter "Owner"):

WITNESSETH

WHEREAS, Owner owns in fee simple certain real estate, hereinafter described,
in the City of Chicago, County of Cook, State of Illinois; and

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

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

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

NOW, THEREFORE, the Owner DECLARES as follows:

ARTICLE I DEFINITIONS

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

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

b. Association - The Association of the Unit Owners acting pursuant to the Bylaws attached hereto as Exhibit C, through its duly elected Board.

c. Board - The board of managers of the Association as constituted at any time from time to time. In the event the Association is incorporated, the "Board" shall mean the Board of Directors of the incorporated Association.

d. Buildings - All structures, attached or unattached, containing one or more units.

e. Bylaws - The Bylaws of the Association, which are attached hereto as Exhibit C.

f. Common Elements - All portions of the Property except the Units, including, without limiting the generality of the foregoing, the Parcel, stairways, corridors, roofs, storage areas, laundries, mechanical rooms and equipment therein, refuse collection system, central heating system, and structural parts of the improvements on the Parcel, wherever located.

g. Common Expenses - The proposed or actual expenses affecting the Property, including Reserves, if any, lawfully assessed by the Board.

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

i. Developer - 825 Hudson, LLC, its successors and/or assigns, or such other persons or entities as the owner may from time to time designate.

j. First Mortgage - An owner of a bona fide first mortgage or first trust deed covering any portion of the Property.

k. Limited Common Elements - That part of the Common Elements contiguous to and serving a single Unit exclusively as an inseparable appurtenance thereto, including specifically such portions of the perimeter walls, floors and ceilings, windows and doors, and all fixtures and structures therein that lie outside the Unit boundaries, pipes, ducts, flues, shafts, electrical wiring or conduits, or other system or component part thereof that serve a Unit exclusively to the extent such system or component part is located outside the boundaries of a Unit.

l. Maintenance Fund - All money collected or received by the Association pursuant to the provisions of the Condominium Instruments.

m. Majority or Majority of Unit Owners - The owners of more than 50 percent in the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided ownership.

n. Occupant - A person or persons, other than a Unit Owner, in possession of a Unit.

o. Parcel - The lot or lots, tract or tracts of land, described in Article 2 hereof, submitted to the provisions of the Act.

p. Person - A Natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

q. Plat - A plat or plats of survey of the Parcel and of all Units in the Property submitted to the provisions of the Act, which shall consist of the three-dimensional, horizontal, and vertical delineation of all such Units and such other data as may be required by the Act.

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

s. Record - To record in the Office of the Recorder of Cook County, Illinois.

t. Reserves - Those sums paid by Unit Owners that are separately maintained by the Board for purposes specified by the Board or the Condominium Instruments.

u. Unit - Any part of the Property designed and intended for any type of independent use and designated on the Plat as a Unit.

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

ARTICLE II LEGAL DESCRIPTION OF PROPERTY

1. Description. The property hereby submitted to the provisions of the Act is legally described as follows:

Lots 1, 2 and 3 (except the North 12.00 feet of Lot 3) in Block 6 and Lot 5 in Block 9 and the 2 foot alley between said Blocks 6 and 9 all in Delavan's Addition to Chicago, being a Subdivision of the East ½ of the Southeast ¼ of the Southwest ¼ of Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

ARTICLE III USE AND OWNERSHIP OF THE COMMON ELEMENTS

1. Description. Except as otherwise in this Declaration provided, the Common Elements shall consist of all portions of the Property except the units. Without limiting the generality of the foregoing, the Common Elements shall include the Parcel, outside walks, driveways, parking spaces, the landscaping, stairways, halls, entrances and exits, fireplaces, storage areas, roof, all structural parts of the Building, pipes, ducts, flues, chutes, wires and other utility installations to the outlets, and such component parts of walls, floors and ceiling as are not located within the Unit.

2. Limited Common Elements. The Limited Common Elements shall consist of a portion of the Common Elements so designated in the Declaration as being reserved for the use of a certain Unit or Units to the exclusion of other Units. Limited Common Elements are: "That part of the Common Elements contiguous to and serving a single Unit exclusively as an inseparable appurtenance thereto including specifically such portions of the perimeter walls, floors and ceilings, windows, fireplaces, doors and all fixtures and structures therein which lie outside the Unit boundaries, pipes, ducts, flues, shafts, electrical wiring or conduits or other systems of component part thereof which serve a Unit exclusively to the extents such system or component part is located outside the boundaries of a Unit which have been designated on the plat as Limited Common Elements." Each will be conveyed as a Limited Common Element assigned to a Unit by the Deed.

3. Storage Areas. Any storage area in the building outside of the respective units shall be part of the Common Elements, and the exclusive use and possession of such area shall be allocated among the respective owners in such manner and subject to such rules and regulations as the Developer or the Board may prescribe. Each Owner shall be responsible for his personal property in the storage area. Neither the Developer, the Board of Managers nor the Association shall be considered the bailee of such property,

nor shall any of them be responsible for any loss or damage thereto whether or not due to the negligence of the Developer, the Board of Managers and/or the Association.

4. Ownership of Common Elements. (a) The use of the Common Elements and the right of the Unit Owners with respect thereto shall be subject to and governed by the Act, the Condominium Instruments and the rules and regulations of the Board.

(b) Each Unit Owner shall own an undivided interest in the Common Elements, in the percentage set forth in Exhibit B attached hereto and made part hereof, as a tenant in common with all other Unit Owners. Such percentage is based on Owner's initial determination of relative values of the units. Except of (1) portion of the Common Elements that have been assigned to the Unit Owners by the Board pursuant to the provisions of the Condominium Instruments and (2) the Limited Common Elements, each Unit Owner, his agents, permitted Occupants, family members, and invitees shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit as a place of residence and such other incidental uses permitted by the Condominium Instruments, which right shall be appurtenant to and run with his Unit. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving only his Unit and the Limited Common Elements access to which is available only through his Unit. The right to the exclusive use and possession of the Limited Common Elements as aforesaid shall be appurtenant to and run with the Unit of such Unit Owner. Except as set forth in the preceding sentence, Limited Common Elements may not be transferred between or among Unit Owners.

5. No Partition of Common Elements. There shall be no partition of the common elements through judicial proceedings or otherwise until this Agreement is terminated and the Property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership provided, however, that if any Unit Ownership shall be owned by two (2) or more co-owners as tenants in common or joint tenants, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of said Unit Ownership as between such co-owners.

6. Owner's Easements. Such rights to use and possess the Common Elements shall be subject to a blanket easement over the Common Elements in favor of Owner and its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors and assigns, over, under and through said Common Elements, or any part thereof, for purposes of access and ingress to and egress from said Common Elements, and for purposes of marketing, sales, brokerage, construction, installation, repair, replacement and restoration of utilities, driveways, buildings, landscaping and any other improvements on said Common Elements until Owner is no longer a Unit Owner.

ARTICLE IV

GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

1. Submission of Property to Provisions of Act. The Property is hereby submitted to the provisions of the Condominium Property Act of the State of Illinois.

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

3. Fireplaces. The fireplaces in the building shall be Limited Common Elements for the sole and exclusive use of the Units into which they open. the Fireplace Limited Common Elements shall be maintained by the Owner of the Units to which such Limited Common Element Fireplaces are appurtenant at their sole expense. The cost of cleaning and maintaining the chimneys or flues for such Limited Common Element Fireplaces shall be paid by the Association as a common expense.

4. Encroachments and Easements.

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

b. Easements are hereby declared and granted for utility purposes, including the right to install, lay, maintain, repair, and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits, wires, and equipment over, under, along, and on any part of the Common Elements, as they exist on the date of the recording hereof.

c. Upon approval by 100% of the Unit Owners, portions of the Common Elements may be dedicated to a public body for purposes of streets or utilities. When such a dedication is made, nothing in the Act or any other law shall be construed to require that the real property taxes of every Unit must be paid before recordation of the dedication. Upon approval by a Majority of the Unit Owners, an easement may be granted for the laying, maintenance, and repair of cable television cable. Upon approval

by a Majority of the Unit Owners, and easement may be granted to a governmental body for construction, and repair of a project for protection against water damage of erosion. Any section pursuant to this Article IV(c) must be taken at a meeting of Unit Owners duly called for that purpose.

d. All easements and rights described herein are easements appurtenant, running with the Parcel, and shall insure to be benefit of and be binding on the undersigned, its successors and assigns, and any owner, purchaser, mortgagee, and other person having an interest in the Parcel, or any part or portion thereof.

e. 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 Declaration shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees, and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

6. Pipes, Etc. All pipes, wires, ducts, flues, chutes, conduits, public utility lines (to the outlets), and structural components located in or running through a Unit and serving more than one Unit or another Unit or serving, or extending into, the Common Elements, or any part thereof, shall be deemed part of the Common Elements but shall not be deemed to be Limited Common Elements. No Unit Owner may take any action that would interfere with the ability of the Association to repair, replace, or maintain said Common Elements as provided herein.

ARTICLE V SALE, LEASING OR OTHER ALIENATION

a. Any Unit Owner who desires to sell his Unit or any interest therein to any person shall first obtain from the proposed purchaser a bona fide executed offer in writing, setting forth all the terms and conditions of said proposed transaction. The offer shall be expressly subject to the terms of this Article V. If any Unit Owner receives such an offer that he intends to accept, he shall accept such offer subject to the terms of this Article V and give written notice to the Association of such offer and acceptance, stating the name and address of such proposed purchaser, the terms of the proposed transaction, and such other information as the Association may reasonably require, and shall furnish a copy of such executed offer and acceptance to the Association. The giving of such notice shall constitute a warranty and representation by the giver thereof that he believes such offer, and all information contained in the notice, to be bona fide, true, and correct in all respects. During a period of thirty (30) days following receipt by the Association of such written notice, the Association shall have the first right and option to purchase such Unit (or to cause the same to be purchased by any designee or assignee, corporate or otherwise, of the Association) on the same terms and conditions as stated in the aforesaid notice

received by the Association. If the Association shall give written notice to the Unit Owner within said thirty (30) day period of the exercise of its first right and option, the transaction between the Unit Owner and the Association or its designee shall be consummated on the same terms as set forth in the notice to the Association.

If the Association shall give written notice to the Unit Owner within said thirty (30) day period that it has elected not to exercise such first right and option or if the Association shall fail to give any notice within said thirty (30) day period, then the proposed transaction as described and set forth in the notice to the Association may be consummated within ninety (90) days after the expiration of said thirty (30) day period. If the Unit Owner fails to consummate such transaction within such ninety (90) day period, then such Unit and all rights with respect thereto shall again become subject to the first right and option of the Association as herein provided.

b. Any Unit Owner who wishes to make a gift of his Unit or any interest therein or who wishes to transfer his Unit or any interest therein for a consideration other than cash or notes (secured or unsecured) of such transferee or the assumption of an existing indebtedness, to any person or persons who would not be heirs at law of the Unit Owner under the Rules of Descent of the State of Illinois were he to die within sixty (60) days before the contemplated date of such gift or other transfer, shall give to the Association notice of his intent to make such gift or other transfer not less than sixty (60) days before the contemplated date thereof. Said notice shall state the contemplated date of such gift or other transfer, the intended donee or transferee, and the terms in detail of such proposed other transfer and such other information as the Association may reasonably require. The Association shall have the first right and option to purchase the Unit or interest therein (or to cause it to be purchased by any designee or assignee, corporate or otherwise, of the Association) for cash at fair market value, which shall be determined by arbitration as hereinafter provided in Article V(d).

c. In the event that any Unit Owner dies leaving a will devising his Unit, or any interest therein, to any person or persons not heirs at law of the deceased Unit Owner under the rules of Descent of the State of Illinois, and the will is admitted to probate, the Association shall have the first right and option to purchase the Unit or interest therein (or to cause it to be purchased by any designee or assignee, corporate or otherwise, of the Association) from the estate of the deceased Unit Owner, or from the devisees named in such will if no power of sale is conferred by the will on the personal representative named therein, for cash, at fair market value, which shall be determined by arbitration as hereinafter provided in Article V(d).

d. Within thirty (30) days after the appointment of a personal representative for the estate of the deceased Unit Owner, or the receipt by the Association of the written notice referred to in Article V(b), as the case may be, the Association, on the one hand, and the owner of the Unit to be purchased or the devisees or personal representative, as the case may be, on the other hand, shall each appoint a qualified real estate appraiser to act as an arbitrator and shall give written notice of such appointment to the other party to the arbitration. If either party fails to appoint an arbitrator, the arbitrator appointed by the

one party shall act as sole arbitrator. If each party has so appointed an arbitrator, the within ten (10) days after the appointment of the last to be appointed of said arbitrators, the two arbitrators so appointed shall appoint another qualified real estate appraiser to act as the third arbitrator. If the two arbitrators so appointed fail to agree on a third arbitrator, then such third arbitrator shall be appointed by the American Arbitration Association upon application of either party to the arbitration. Within fifteen (15) days after the appointment of a third arbitrator, the three arbitrators shall determine the fair market value of the Unit or interest therein and shall thereupon give written notice of such determination to the Association and the owner or the devisee or devisees or personal representative, as the cause may be. If the three arbitrators fail to agree on a fair market value, then the mean average of the values fixed by these three arbitrators shall be the fair market value. The Association's right to purchase the Unit or interest therein at the price so determined shall expire sixty (60) days after the date of receipt of notice of such fair market value; provided, however, that such first right and option to purchase shall expire seven (7) months after the appointment of a personal representative of a deceased Unit Owner who is not empowered to sell. The Association shall be deemed to have exercised its first right and option if it tenders the required sum of money to the owner or the devisee or devisees or to the personal representative, as the cause may be, within the option period.

e. In the event any Unit or interest therein is sold at a judicial or execution sale (other than a mortgage foreclosure sale), the person acquiring title through such sale shall, before taking possession of the Unit so sold, give thirty (30) days written notice to the Association of his intention so to do, whereupon the Association shall have the first right and option to purchase such Unit or interest therein at the same price for which it was sold at the sale. If the first right and option is not exercised by the Association within thirty (30) days after receipt of such notice, the option shall thereupon expire, and the purchaser thereafter take possession of the Unit. The Association shall be deemed to have exercised its first right and option if it tenders the required sum of money to the purchaser within the thirty (30) day period.

f. In the event any Unit Owner shall default in the payment of any money required to be paid under the provisions of any mortgage or trust deed against his Unit, the Association shall have the right to cure such default by paying the amount so owing to the party entitled thereto and shall thereupon have a lien therefor against such Unit, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the common expenses.

g. In the event a Unit Owner leases a Unit owned by him, a copy of the executed lease and a copy of any sublease or assignment of lease, as and when executed, shall be furnished by such lessor, sub-lessor, or assignor to the Association, and the lessee, sub-lessee, or assignee thereunder shall be bound by and be subject to all of the obligations of the owner with respect to such Unit as provided in this Declaration, and the lease, sublease or assignment shall expressly so provide. The person making any such lease, sublease, or assignment shall not be relieved thereby from any of his obligations hereunder. No lease may be for a term shorter than 30 days. The Association shall not

be allowed to prohibit or restrict the leasing of any Unit, other than as provided in this Declaration, without the written consent of 100% of all Unit Owners.

h. The Association shall not exercise any option set forth above without the prior written consent of 50% of the Unit Owners, which consent must be obtained, if at all, during the period of thirty (30) days following receipt by the Association of the described in Article V(a) hereof or thirty (30) days following appointment of the personal representative as described in Article V(d) hereof, as applicable. The Association may bid to purchase at any auction or sale of the Unit or interest therein of any Unit Owner, deceased or living, which sale is held pursuant to any order or direction of a court upon the prior written consent of 50% of the Unit Owners, which consent shall set forth a maximum price that the Association is authorized to bid and pay for the Unit or interest therein.

i. When title to any Unit is held by a trust, the bequest, assignment, sale, conveyance, or other transfer by a beneficiary of such trust of his beneficial interest in such trust (other than as security for a bona fide indebtedness) shall be deemed a device of the Unit owned by the trust.

j. When title to any Unit is held by a corporation or a partnership, or when a corporation or a partnership is beneficiary of a trust in title to a Unit, the transfer or bequest of fifty percent (50%) or more of the issued and outstanding shares of such corporation or fifty percent (50%) or more of the interest in such partnership shall be deemed a device of the Unit owned by the corporation or partnership or such trust.

k. The terms of this Article V and the first right and option herein provided for shall not be applicable to:

(1) the transfer or conveyance, by operation of law or otherwise, of the interest of a co-owner of any Unit, to any other co-owner of the same Unit or the interest of a co-owner of the beneficial interest in a land title holding trust in title to a Unit to any other co-owner of such beneficial interest, when such co-owners hold title to such Unit or such beneficial interest as tenants in common or as joint tenants;

(2) the transfer by sale, gift, devise, or otherwise of any Unit or interest therein or beneficial interest of a land title holding trust in title to a Unit to or for the sole benefit of any spouse, descendant, ancestor, or sibling (or the spouse of any such person) of the transferor;

(3) the execution of a bona fide trust deed, mortgage, or other security instrument;

(4) the sale, conveyance, or leasing of a Unit by the holder of a mortgage or trust deed who has acquired title to such Unit by deed in lieu

of foreclosure of a mortgage or trust deed on the Property, or any Unit, or by any other remedy set forth in the mortgage or trust deed, provided such holder is a bank, savings and loan association, insurance company, or like institutional mortgagee; and

(5) any sale, conveyance, lease, or transfer of a Unit by the Trustee, or any beneficiary of the Trustee, or the Developer.

l. Acquisition of Units or interests therein under the provisions of this paragraph shall be made from the Maintenance Fund. If said fund is insufficient, the Association shall levy a special assessment against such Unit Owner other than the owner of the Unit that is to be acquired by the Association in the ratio that his percentage of ownership in the Common Elements bears to the total of such percentages applicable to Units subject to the special assessment, which assessment shall become a lien and may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Subject to the provisions of the Act and Bylaws, the Association may borrow money to finance the acquisition of Units or interests therein, which acquisition is authorized by this paragraph; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit or interest therein to be acquired.

m. Units or interests therein acquired pursuant to the terms of this paragraph, and all proceeds of any sale or leasing thereof, shall be held of record in the name of the Association for the use and benefit of the Unit Owners in the same proportions that the Association could levy a special assessment under the terms of Article V(1) above. Subject to the provisions of the Act and Bylaws, these Units or interests therein shall be sold or leased by the Association for the benefit of such Unit Owners at such price and on such terms as the Association shall determine.

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

o. Upon the written request of any prospective transferor, purchaser, tenant, or mortgagee of a Unit, the Association, by its Secretary, shall issue a written and acknowledged certificate evidencing

(1) that the provisions of this Article V have been complied with or duly waived by the Association and that the first right and option of the Association has been terminated, if such is the fact;

(2) that any conveyance, deed, or lease is, by the terms hereof, not subject the provisions of this Article V, if such is the fact;

and such a certificate shall be conclusive evidence of the facts contained therein.

ARTICLE VI ASSOCIATION

a. The Developer, before the first annual meeting of Unit Owners, or the Association thereafter, may cause the formation of an Illinois not-for-profit corporation for the purpose of facilitating the administration and operation of the Property and to act as the Association.

b. Whether or not the Association is incorporated,

(1) each Unit Owner shall be a member of such Association, which membership shall terminate upon the sale or other disposition by such member of his Unit, at which time the new Unit Owner shall automatically become a member therein;

(2) the provision of Exhibit C of this Declaration shall be adopted as the Bylaws of such Association;

(3) the name of such Association shall be 825 North Hudson Condominium Association, or a similar name.

ARTICLE VII INSURANCE, REPAIR AND RECONSTRUCTION

a. The Association shall acquire and pay for, out of the Maintenance Fund herein provided, the following:

1. Such insurance as the Association is required to obtain under the provisions of the Act and such other insurance as the Association deems advisable in the operation and for the protection of the Common Elements and the Units. The Association shall also comply with the insurance requirements of the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the U.S. Department of Housing and Urban Development (HUD), the Federal Housing Authority (FHA), or the Veterans Administration (VA) to the extent that (a) such agency is a mortgagee, assignee of a mortgagee, or an insured or guarantor of a first mortgage with respect to any Unit and the Association is so notified thereof; and (b) such agency's requirements do not conflict with those contained in the Act. Any losses under such policies of insurance shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed, in accordance with the provisions of this Declaration and the Act..

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

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

(2) Comprehensive public liability and property damage insurance in such limits as the Association shall deem desirable, provided that such limits shall not be less than One Million Dollars (\$1,000,000) per occurrence, for personal injury and /or property damage - insuring the Association, the members of the Board, the managing agent, if any, and their respective agents and employees, and the Unit Owners from any liability in connection with the property.

(3) Such other forms of insurance as the Association shall elect to effect including such Workers' Compensation insurance as may be necessary to comply with applicable laws.

(4) Fiduciary insurance coverage to protect against dishonest acts on the part of all officers, employees, or other persons who either handle or are responsible for funds held or administered by the Association, if such insurance is mandated by law or if the Association shall elect to effect it. Such Insurance coverage shall name the Association as an insured or obligee and shall be in an amount at least equal to the maximum amount of funds that will be held in the custody of the Association plus Reserves.

(5) In the event FHLMC, FNMA, HUD, FHA or VA is a mortgagee, an assignee of a mortgagee, or an insurer or guarantor of a first mortgage with respect to any Unit and

the Association is so notified, a fidelity bond or bonds (or insurance coverage if acceptable to such FHLMC, FNMA, HUD, FHA or VA as are than a mortgagee or an assignee of a mortgagee) to protect against dishonest acts on the part of the officers, directors, trustees, and employees of the Association and all others who handle, or are responsible for handling funds of the Association. Such bond or bonds shall name the Association as an obligee and shall be in an amount at least equal to 150% of the estimated annual Common Expenses including Reserves, unless a higher amount is required by the FHLMC, FNMA, HUD, FHA, or VA, in which case the bond or bonds shall be in the higher amount. Such bond or bonds shall contain a waiver of defense based on the exclusion of persons who serve without compensation from the definition of "employee."

b. Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Association, and the cost of any appraisal the Association deems advisable in connection with any insurance, shall be Common Expenses.

c. The Association shall secure insurance policies that will provide for the following:

- (1) with respect to the insurance provided for in Article VII(a)(2) above, for coverage of cross liability claims of one insured against another; and
- (2) a waiver of any rights to subrogation by the insuring company against any named insured.

d. The Association may, but shall not be required to, secure policies providing the following:

- (1) with respect to the insurance provided for in Article VII(a)(1) above, that the policy cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual Unit Owners;
- (2) with respect to the insurance provided for in Article VII(a)(1) above, that the insurer shall not have the option to restore the Property, if the Property is sold or removed from the provisions of the Act.

e. Each Unit Owner shall be responsible for insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner and insurance for his personal liability to the extent not covered by insurance maintained by the Association.

f. Upon the cancellation of any policy of insurance that the Association is required to obtain hereunder, the Association shall notify each party thereunder of such cancellation.

g. In the event of fire or other disaster, the insurance proceeds, if sufficient to reconstruct the Building, shall be applied to restore the Building to substantially the same condition in which it existed before the fire or other disaster, with each Unit and the Common Elements to have the same vertical and horizontal boundaries as before the fire or other disaster.

h. If, in the event of fire or other disaster, the insurance proceeds are insufficient to restore the Building as set forth in Article 7b above, then the following shall apply:

(1) The Board shall call a meeting of Unit Owners to be held not later than the first of (a) the expiration of thirty (30) days after the final adjustments of the insurance claims or (b) the expiration of ninety (90) days after the fire or other disaster that caused the damage.

(2) At such meeting, the Board shall present an estimate of the cost of repair or reconstruction, together with an estimate of the part thereof that must be raised by way of special assessment.

(3) The Building shall be restored and the proposed special assessment shall be levied only upon the vote of 100 percent of the Unit Owners.

(4) If the Unit Owners do not vote to restore the Building at the meeting provided for in Article VII(h)(1) above, then the board may, at its discretion, call another meeting or meetings of Unit Owners to reconsider the question. If the Unit Owners do not vote to restore the Building within 180 days after the fire or other disaster, then the Board may (but shall not be required to) Record a notice as permitted under the Act.

(5) If the Unit Owners do not vote to restore the Building under the provisions of Article VII(h)(4) above and the Board does not Record a notice as permitted under the Act, then the Unit Owners may, with the consent of all First Mortgagees, withdraw any portion of the Building so affected by such fire or other disaster from the Act. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit shall be reallocated among the remaining Units on the basis of the relative percentage interest of the remaining Units. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, on the basis of diminution of the market value of the Unit, as determined by the Board. The allocation of any insurance or other proceeds to any withdrawing or remaining Unit Owners shall be on an equitable basis, which need not be a Unit's percentage of interest in the Common Elements. Any insurance or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

ARTICLE VIII REAL ESTATE TAXES

It is understood that real estate taxes are to be separately taxed to each Unit Owner for his Unit and its corresponding percentage of ownership of the Common Elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner but are taxed on the Property as a whole, then the Association shall collect from each Unit Owner his proportionate share thereof in accordance with his respective percentage of ownership of the Common Elements, and such taxes levied on the Property as a whole shall be considered a Common Expense.

ARTICLE IX USE AND OCCUPANCY RESTRICTIONS

Use and Occupancy of Units and Common Elements. The Units and Common Elements shall be occupied and used as follows:

a. No Unit shall be used for other than housing and the related common purposes for which the Property was designated. Each Unit Owner or any two or more adjoining Units used together shall be used as a residence for a single family or such other uses permitted by this Declaration and for no other purposes. That part of the Common Elements separating any two or more adjoining Units used together may be altered to afford ingress and egress to and from such adjoining units in accordance with the rules and regulations of the Association and upon such conditions as shall reasonably be determined by the Association, provided that a Unit Owner intending to so alter the Common Elements as aforesaid shall notify the Association at least twenty-one (21) days before commencement of any such alteration.

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

the same from time to time and to maintain on the Property, until the sale of the last Unit, all models, sales offices, and advertising signs or banners, if any, and lighting in connection therewith. In addition to the foregoing, Developer, or its agents or designees, shall have access to, and ingress and egress over, the Property for purposes of photographing or drawing the Property, or any part thereof, and to use such photographs or drawings in any marketing or other materials as Developer shall choose; and such rights shall continue for a period of ten (10) years from the date hereof.

c. There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements without the prior consent of the Association except as herein expressly provided. Each Unit Owner shall be obligated to maintain and keep his own Unit and the Limited Common Elements appurtenant thereto in good, clean order and repair. The use and the covering of the interior surfaces of windows, whether by draperies, shades, or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Association.

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

e. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building, and no sign, awning, canopy, shutter, or radio or television antenna (except as installed as of the date this Declaration is recorded or except as thereafter installed by Developer or the Association) shall be affixed to or placed on the exterior walls or roof or any part thereof or on the Common Elements without the prior written consent of the Association. All through-wall air conditioners and sleeves in which said air conditioners are inserted, installed as of the date this Declaration is recorded, may be maintained, removed, and replaced and shall be repaired as necessary by the Unit Owner owning the Unit that such air conditioner and sleeve serve. No air conditioning unit of whatever type, other than those installed as of the date this Declaration is recorded or those thereafter installed by the Developer or the Association, may be installed without the prior written permission of the Association.

f. No animals, livestock, fowl, or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that household pets, such as dogs, cats, birds and fish of a Unit Owner may be kept in Units, provided said animals are of a breed or variety commonly kept as household pets, are not kept or bred for a commercial purpose, are not allowed to run loose on the Property and are kept in strict accordance with such rules and regulations adopted by the Association, which rule or regulation may exclude any kind of pet by type or category, provided that permitted household pets are not kept, bred, or maintained for any commercial purpose; and provided further that any such authorized pet causing or creating a nuisance or unreasonable disturbance shall be

permanently removed from the Property upon three (3) days' written notice from the Association.

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

h. Except as constructed or altered by or with the permission of the Developer or the Association, nothing shall be done in any Unit or in, on, or to the Common Elements that would impair the structural integrity, safety, or soundness of the Building or that would structurally change the Building.

i. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris, and other unsightly materials.

j. Nothing shall be altered or constructed in or removed from the Common Elements except as constructed or altered by or with the permission of the Developer at any time before the first annual meeting of the Unit Owners without the written consent of the Association.

k. Each Unit Owner and the Association hereby waive and release any and all claims he or it may have against any other Unit Owner, the Association, members of the Board, the Developer, the Owner, the beneficiaries of the Owner, and their respective employees and agents, for damage to the Common Elements, the Units, or any personal property located in the Units or Common Elements, caused by fire or other casualty or any act or omission referred to in Article 9(l), to the extent that such damage is covered by fire or other form of hazard insurance.

l. If the act or omission of a Unit Owner, or of a member of his family, a household pet, guest, occupant, or visitor of such Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs, or replacements shall be required that would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs, and replacements, as may be determined by the Association, to the extent such payment is not waived or released under the provisions of Article IX(k).

m. Any release or waiver referred to in Article IX(k) and IX(l) hereof shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder.

n. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories, or equipment in such manner as to cause, in the judgment of the Association, an unreasonable disturbance to others. Nor shall Unit Owner connect any machine, appliance, accessory, or equipment to the heating system or plumbing system without the prior written consent of the Association.

o. This Article IX shall not be construed to prevent or prohibit a Unit Owner from maintaining his personal professional library, keeping his personal business or professional records or accounts, handling his personal business or professional telephone calls, or conferring with business or professional associates, clients, or customers in his Unit.

ARTICLE X DESCRIPTION OF UNITS

1. Description of the Units. It is understood that each unit consists of the space enclosed or bounded by the horizontal and vertical planes set forth and identified as a unit in the delineation thereof in Exhibit "D". All Units, are delineated on the Plat attached hereto as Exhibit D and made a part of this Declaration. The legal description of each Unit shall consist of the indentifying number or symbol of such Unit as shown on the Plat. Said Units are legally described on Exhibit A attached hereto and made a part hereof.

2. Storage Units. The Developer shall assign a limited common element storage unit to each Unit Owner and the use and control of said limited common element storage unit shall be subject to such rules and regulations as the Association may set.

3. Certain Structures Not Constituting Part of a Unit. If any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially within and partially outside of the designated boundaries of a unit, any portions thereof serving only that unit shall be deemed a part of said unit, while any portions thereof serving more than one unit or any portion of the common elements shall be deemed a part of the common elements.

ARTICLE XI VIOLATION OF DECLARATION/REMEDIES

The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or in the Bylaws contained shall, in addition to any other rights provided for in this Declaration or the Bylaws, give the Association the right (a) to enter on the Unit or any portion of the Property on which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and neither the Association nor the officers, employees, or agents thereof shall thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy by appropriate legal proceedings, either by law or in equity, the

continuance of any breach; or (c) to take possession of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

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

Furthermore, if, after hearing and finding as aforesaid, the Unit Owner fails to desist from such violation or to take such corrective action as may be required, the Association shall have the power to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate the rights of the defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use, or control his Unit, and thereupon an action in equity may be filed by the Association against the defaulting Unit Owner for an order declaring the termination of the defaulting Unit Owner's right to occupy, use, or control the Unit owned by him on account of the violation of a rule or breach of covenant or provision as aforesaid and ordering that all the right, title, and interest of the Unit Owner in the Property shall be sold at a judicial sale upon notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Unit Owner from reacquiring his interest at such judicial sale or by virtue of the exercise of any right of redemption that may be established, and except that the court shall direct that any existing first mortgage be retired out of proceeds of such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in the order. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit and, subject to the first right and option of the Association as provided in Article V(e) above, to immediate possession of the Unit sold and may apply to the court for an order of assistance for the purpose of acquiring such possession, and it

shall be a condition of any such sale, and the order shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

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

ARTICLE XII MISCELLANEOUS PROVISIONS

1. Entry by Association. The Association or its officers, agents, or employees may enter any Unit when necessary in connection with any painting, maintenance, repair, or reconstruction for which the Association is responsible or which the Association has the right or duty to do. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and except in the event of emergency, shall be done upon reasonable notice to the Unit Owner. Any damage caused thereby shall be repaired by the Association as a Common Expense.

2. Grantees. Each grantee of the Owner or the Developer, each purchaser under Articles of Agreement for Deed, and each tenant under a lease accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, the Bylaws, the rules and regulations of the Association, and the jurisdiction, rights, and powers created or reserved by this Declaration and the provisions of the Act, as at any time amended, and all easements, rights, benefits, and privileges of every charter hereby granted, created, reserved, or declared and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of each grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

3. Failure to Enforce. No terms, obligations, covenants, conditions, restrictions, or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce them, no matter how many violations or breaches may occur.

4. Notices. Whenever any notice is required to be given under the provisions of this Declaration or the Bylaws, a waiver thereof in writing by the person or persons entitled to such notice, whether before or at the time stated therein, shall be deemed

equivalent to the giving of such notice, provided such waiver or the time of giving it is not contrary to the provisions of the Act. Notices required to be given to any devisee or personal representative of a deceased Unit Owner shall be delivered by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased owner is being administered.

5. Amendments. Except as hereinafter otherwise provided, the provisions of Articles 1, 2, 3, 4, 5, 6, and 7 of this Declaration may be amended, changed, or modified by an instrument in writing setting forth such amendment, change, or modification, signed and acknowledged by all members of the Board, all of the Unit Owners, and each mortgagee having a bona fide lien of record against any Unit. Except as herein otherwise provided, other provisions of this Declaration may be amended, changed, or modified, upon approval by all members of the Board and 100% of the Unit Owners, by an instrument in writing setting forth such amendment, change, or modification, signed and acknowledged by an authorized officer of the Board and containing an affidavit by an officer of the Association certifying that (a) at least 100% of the Unit Owners have approved such amendment, change or modification, and (b) a copy of the amendment, change, or modification which has been sent by certified mail to all mortgagees having bona fide liens of record against any Unit, not less than ten (10) days before the date of such affidavit. The approval of Eligible First Mortgagees (i.e., First Mortgagees who have requested that the Association notify them of amendments affecting the matter described in a through and including o below) of 51% (by percentage ownership) of Units that are subject to a mortgage or trust deed shall be required to materially amend any provisions of the Declaration or Bylaws or to add any material provisions thereto that establish, provide for, govern, or regulate any of the following:

- a. Voting;
- b. Increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or subordination of such liens;
- c. Reserves for maintenance, repair, and replacement of the Common Elements;
- d. Insurance or fidelity bonds;
- e. Rights to use the Common Elements;
- f. Responsibility for maintenance and repair of the Common Elements;
- g. The addition, annexation or withdrawal of property to or from The 825 North Hudson Condominiums;
- h. Boundaries of any Unit;
- i. Interests in the Common Elements or Limited Common Elements;

- j. Convertibility of Units into Common Elements or of Common Elements into Units;
- k. Leasing of Units;
- l. Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit in the condominium;
- m. Establishment of self-management by the Association when professional management has been required by FHLMC, FNMA, HUD, FHA or VA;
- n. Hazard or fidelity insurance requirements; or
- o. Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

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

6. Arbitration. Any controversy between Unit Owners, any deadlock in voting between the Unit Owners or any claim by a Unit Owner against the Association or another Unit Owner arising out of or relating to the Declaration, Bylaws, or rules and regulations of the Association shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment on the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof.

7. Condemnation. In the event of a taking or condemnation by competent authority of any part of the Property, The Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as closely as possible to the general design, structure, and materials used with respect to the improvements as they existed before the taking or condemnation. In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Act and the percentage of ownership interest in the Common Elements allocated to such Unit or portion thereof, (as determined by the Board on the basis of diminution in market value of the Unit) shall be reallocated among the remaining Units on the basis of the relative percentage of ownership interests in the Common Elements of the remaining Units. In such cases, this Declaration and the Plat shall be amended accordingly, pursuant to the provisions of the Act. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage of interest in the Common Element. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on

the basis of each Unit Owner's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced. .

8. Severability. The invalidity of any restriction hereby imposed, or of any provision hereof, or any part of such restriction or provision, shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration, and all of the terms hereof are hereby declared to be severable.

9. Construction. The provisions of this Declaration shall be liberally constructed to effect its purpose of creating a uniform plan for the development and operation of a first-class condominium development.

10. Changes or Modifications by the Developer. Until the first annual meeting of Unit Owners is called, the Developer, or its successors or assigns, shall have the right to change or modify the Condominium Instruments, which change or modification shall be effective upon the recording thereof, provided further that such right shall be exercised only (a) to bring the Declaration into compliance with the Act, (b) to correct clerical or typographical errors in the Declaration, or (c) to conform the Condominium Instruments to the requirements of FHLMC or the FNMA with respect to condominium projects. In furtherance of the foregoing, a power coupled with and interest is hereby reserved and granted to the Developer to make any change or modification as authorized hereunder on behalf of each Unit Owner as attorney in fact for such Unit Owner. Each deed, mortgage, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Developer as aforesaid.

11. Rights of First Mortgagees. Any mortgage owned or held by a First Mortgagee and Recorded before the Recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his share of the monthly assessment when due shall be superior to the lien of such unpaid Common Expenses set forth in the notice and to all assessments for Common Expenses that become due and are unpaid subsequent to the date of Recording of such first mortgage. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure shall not be liable for and shall take the Unit and its proportionate interest in the Common Elements free from claims for unpaid common or special assessment levied by the Association that accrue before the date of possession as aforesaid.

A First Mortgagee, or an insurer or guarantor of the note held by a First Mortgagee, upon written request to the Association (such request to state name and address of such First Mortgagee, insurer, or guarantor and the Unit number), shall be entitled to timely written notice of

- a. Any proposed action that requires the consent of a specified percentage of Eligible First Mortgagees;
- b. Any proposed termination of the condominium project;
- c. Any condemnation loss or any casualty loss that affects a portion of the Common Elements, which loss exceeds \$10,000, or affects any Unit, which loss exceeds \$1,000, on which there is a first mortgage held, insured, or guaranteed by such eligible holder;
- d. Any delinquency in the payment of assessments or charges owed by an owner of a Unit subject to the mortgage of a First Mortgagee, insurer, or guarantor, when such delinquency has continued for a period of 60 days; and
- e. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

12. Additional Rights of First Mortgagees.

a. Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications for the Building unless the approval is obtained from at least 50% of the Unit Owners and the Eligible First Mortgagees of Units that represent at least 50% of the Units subject to a mortgage held by an Eligible First Mortgagee.

b. Any election to terminate the condominium project after substantial destruction or substantial taking by condemnation of the Property shall require the approval of at least 50% of the Unit Owners and the Eligible First Mortgagees of Units that represent at least 50% of the Units subject to a mortgage held by an Eligible First Mortgagee.

c. Any election to terminate the condominium project for reasons other than substantial destruction or condemnation of the Property shall require the approval of at least 50% of the Unit Owners and the Eligible First Mortgagees of Units that represent at least 50% of Units subject to a mortgage held by an Eligible First Mortgagee.

13. Trustees. In the event title of any Unit should be conveyed to a land title holding trust, under which all powers of management, operation, and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust and the beneficiaries thereunder from time to time shall be liable for payment of any obligation, lien, or indebtedness chargeable or created under this Declaration against such Unit. No claim shall be made against any such title holding trustee personally for payment of any claim, lien, or obligation hereby created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or

lien on the premises notwithstanding any transfer of beneficial interest or the title of such real estate.

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

IN WITNESS WHEREOF, the said Owners have executed this Declaration of Condominium on the day and year first written above.

825 Hudson, LLC

By: _____
Henry Ospina, Member/Manager

By: _____
Sonia Ospina, Member/Manager

State of Illinois)
) ss.
County of Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Henry Ospina and Sonia Ospina, personally known to me to be the Member/Managers of 825 Hudson, LLC, an Illinois limited liability company, personally known to me to be the same persons, whose name are subscribed to the foregoing instrument as such Member/Managers, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said Limited Liability Company, for the uses and purposes therein set forth.

Given under my hand and seal, this _____ day of _____, 2006.

Commission expires: _____
Notary Public

CERTIFICATE

Henry Ospina and Sonia Ospina, Member/Managers of 825 Hudson, LLC, an Illinois limited liability company hereby certifies:

1. That 825 Hudson, LLC is the developer of 825 North Hudson Condominiums located at 825 N. Hudson, Chicago, Illinois .

2. The Parcel described in Article 2 of the Declaration of Condominium to which this Certificate is attached is a conversion condominium as defined in the Illinois Condominium Property Act.

3. No Notice of Intent as required by Section 30 of the Illinois Condominium Property Act was given as this is not a conversion condominium.

In Witness Whereof, the undersigned executed this Certificate on the _____ day of _____, 2006.

By: _____
Henry Ospina, Member/Manager

By: _____
Sonia Ospina, Member/Manager

State of Illinois)
) ss.
County of Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Henry Ospina and Sonia Ospina, Member/Managers of 825 Hudson, LLC., an Illinois limited liability company, personally known to me to be the same persons, whose name are subscribed to the foregoing instrument as such Member/Manager, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said limited liability company, as aforesaid, for the uses and purposes therein set forth.

Given under my hand and seal, this _____ day of _____, 2006.

Commission expires: _____
Notary Public

MORTGAGEE CONSENT

MB Financial Bank f/k/a 1st Security Federal Savings Bank holder of a note secured by a mortgage on the property dated July 15, 2005, hereby consents to the execution and recording of the above and foregoing Declaration of Condominium for 825 North Hudson Condominiums, and hereby submits the mortgage recorded on July 28, 2005 as Document Number 0520935018 in the office of the Recorder of Deeds of Cook County, Illinois to the provisions of the above and foregoing Declaration of Condominium and the Condominium Property Act.

IN WITNESS WHEREOF, the said **MB Financial Bank** has caused this instrument to be signed by its duly authorized officers on its behalf all done at Chicago, Illinois on this the _____ day of _____, 2006.

MB Financial Bank

By: _____

Attest: _____

State of Illinois)
) SS.
County of Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of MB Financial Bank, and _____ personally known to me to be the Secretary of said banking corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Secretary, they signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth

Given under my hand and notarial seal this _____ day of _____, 2006.

Notary Public

EXHIBIT A

Legal Description of Units

Units RN-1A, RN-1B, FS-1C, FN-1D, RN-2A, RS-2B, FS-2C, FC-2D, FN-2E, RN-3A, RS-3B, FS-3C, FC-3D, FN-3E, FN-4A, RS-4B, FS-4C, FC-4D and FN-4E in 825 North Hudson Condominiums, as delineated on a Plat of Survey of 825 North Hudson Condominiums, which Plat of Survey is attached as Exhibit D to the Declaration of Condominium recorded _____, in the office of the Recorder of Deeds of Cook County, Illinois as document number _____ of the following described parcel of real estate:

Lots 1, 2 and 3 (except the North 12.00 feet of Lot 3) in Block 6 and Lot 5 in Block 9 and the 2 foot alley between said Blocks 6 and 9 all in Delavan's Addition to Chicago, being a Subdivision of the East ½ of the Southeast ¼ of the Southwest ¼ of Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index Number: 17-04-331-002-0000 and
 17-04-331-046-0000

EXHIBIT B
PERCENTAGE OWNERSHIP INTEREST
IN COMMON ELEMENTS

<u>Unit #</u>	<u>Percentage Interest</u>
RN-1A	4.01%
RS-1B	4.01%
FS-1C	5.85%
FN-1D	9.62%
RN-2A	5.43%
RS-2B	5.43%
FS-2C	5.02%
FC-2D	4.60%
FN-2E	5.02%
RN-3A	5.43%
RS-3B	5.43%
FS-3C	5.02%
FC-3D	4.60%
FN-3E	5.02%
RN-4A	5.43%
RS-4B	5.43%
FS-4C	5.02%
FC-4D	4.60%
FN-4E	<u>5.02%</u>
Total	100.0%

BYLAWS
OF
82²⁵ NORTH HUDSON CONDOMINIUMS

ARTICLE I

General Provisions

The Association is responsible for the overall administration of the Property through its duly elected Board. Whether or not incorporated, the Association shall have such powers, not inconsistent with the Act, as are now or may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized and to do every other act not inconsistent with law that may be appropriate to promote and attain the purposes set forth in the Act or the Condominium Instruments.

ARTICLE II
Members

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

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

Section 2. Votes and Voting Rights.

a. Until the date of the first annual meeting of the members, as provided in Article III, Section 1, hereof, no member of the Association shall have the right to elect the Board of Managers. All such members of the Board of Managers shall be appointed and shall hold office as provided in Article IV, Section 2, of these Bylaws.

b. Commencing with the date of the first annual meeting of the members, the total number of votes shall be 100. Each member shall be entitled to the number of votes equal to his percentage ownership interest in the Common Elements (as defined in the Declaration) times 100 at the time any matter is submitted to a vote of the members.

c. If a Unit is owned by more than one person, the voting rights with respect to such Unit shall not be divided, but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. Any proxy must be executed in writing by the Unit Owner or his duly authorized attorney in fact, must bear the date of the execution, and shall be invalid 11 (eleven) months from the date of its execution. If only one of the persons constituting such Unit Owner is present, he shall be entitled to cast the votes allocated to the Unit. If more than one of the persons constituting such Unit Owner are present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of such persons. Agreement by a majority in interest of such persons shall be deemed to exist if any of the persons casts the votes allocated to such Unit without protest being made promptly to the person presiding over the meeting by any such persons constituting the Unit Owner.

d. Any specified percentage of the members, whether majority or otherwise, for purposes of voting or for any other purpose, wherever provided in these Bylaws, shall mean such percentage of the total number of votes hereinabove set forth. Such percentage shall be computed in the same manner as is a specified percentage of the Unit Owners of the Condominium as provided in the Declaration, provided, however, that when 30% or fewer of the Units, by number, possess over 50% in the aggregate of the votes as provided herein, any percentage vote of the members specified herein or in the Declaration shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to Units that would otherwise be applicable.

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

Section 4. Installment Contracts. Anything herein to the contrary notwithstanding, in the event of a sale of a Unit, the purchaser of such Unit pursuant to an installment contract for purchase from a seller other than the Owner or Developer shall, during such times as he resides in the Unit, be counted toward a quorum for purpose of election of members of the Board at any meeting of the Unit Owners called for the purpose of electing members of the Board, shall have the right to vote for the election of members of the Board, and to be elected to and serve on the Board unless the seller expressly retains in writing any or all such rights. In no event may both the seller and purchaser be counted toward a quorum, be permitted to vote for a particular office, or be elected to serve on the Board. Satisfactory evidence of the existence and terms of the

installment contract as they relate to the subject matter of this Section shall be made available to the Association or its agents. "Installment Contract" shall have the same meaning as set forth in Section 1(e) of the Dwelling Unit Installment Contract Act, 765 ILCS 75/0.01, approved August 11, 1967, as amended.

3. Meetings of Members

ARTICLE III

Meeting of Members

Section 1. Annual Meeting. The first annual meeting of the members shall be held on such date as fixed by the Developer, which date shall in no event be later than the earlier of (a) three years from the date the Declaration is recorded in the Office of the Recorder of Cook County, Illinois, (b) sixty (60) days from the date when 100% of Units have been conveyed by the Owner, or (c) such earlier time as selected by the Developer. Thereafter, an annual meeting of the members for the purpose of electing Board members and for the transaction of such other business as may come before the meeting shall be held on the third Tuesday of September each year or such other date as is selected by the Board, which date is within sixty (60) days before or after the third Tuesday of September, provided, however, that no such meeting need be held less than one year after the first annual meeting of the members. If the election of members of the Board shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members called as soon thereafter as conveniently may be held. In the event the Developer fails to call the first annual meeting of members by the latest date set forth above, 100% of the members may call the first annual meeting by filing a petition to such effect with the Developer, setting forth a date for such meeting. After the filing of such petition, the members filing the petition may send notice of the first annual meeting of members as provided herein and may hold such meeting pursuant to the notice.

Section 2. Special Meetings. Special meetings of the members may be called by the Board, the President, or not less than all of the members. All matters to be considered at special meetings of the members called by not less than all of the members shall first be submitted in writing to the Board not less than ten (10) days before the date of the special meeting of the members called to consider such matter.

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

Section 4. Notice of Meetings. Written or printed notice stating the purpose, place, day, and hour of any meeting of members shall be mailed or delivered to each member entitled to vote at such meeting not less than ten (10) days before the date of

such meeting, by or at the direction of the President or the Secretary, or persons calling the meeting, except that notice of the first annual meeting of the members shall be given to the member at least twenty-one (21) days prior thereto. The notice if the meeting shall be deemed mailed when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with proper postage thereon prepaid.

Section 5. Quorum. The members present at a meeting in person or by proxy, holding 75% of the votes that may be cast at any meeting, shall constitute a quorum at such meeting. If a quorum is not present at the commencement of any meeting of members, the meeting shall be adjourned and may be called again in accordance with the provisions of these Bylaws.

Section 6. Proxies. At any meeting of members, a member entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution. Any proxy distributed by the Board for election of members of the Board shall give Unit Owners the opportunity to designate any person as the proxy holder and shall give the Unit Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

Section 7. Manner of Acting. Except as set forth below and except as otherwise required by the Declaration or the Act, any action to be taken at any meeting of the members at which a quorum is present shall be upon the affirmative vote of more than 50% of the members represented at such meeting. The following matters shall require the affirmative vote of 100% of all the Unit Owners at a meeting duly called for that purpose:

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

ARTICLE IV

Board

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

Section 2. Number, Tenure, and Qualifications. The number of members of the Board shall initially be three. Until the date of the first annual meeting of the members as

hereinabove provided, members of the Board shall be the directors named in the Articles of Incorporation of the Association if the Association is incorporated; otherwise, the members of the Board shall be as appointed by the Developer. Such members of the Board shall hold office until the first annual meeting of the members. Commencing with the date of the first annual meeting of the members, the number of members of the Board shall be increased to five and shall be elected solely by, from, and among, the members for a term of one year and until their respective successors shall have been elected qualified. All members of the Board shall be elected at large. The Board elected at such first annual meeting shall be the initial Board of Managers as provided in the Act. Each member of the Board shall hold office without compensation. In the event that a member of the Association is a corporation, partnership, trust, or other legal entity other than a natural person or persons, then any shareholder, officer, or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity may be eligible to serve as a member of the Board. If there are multiple owners of a single Unit, only one of the multiple owners shall be eligible to serve as a member of the Board at any one time. A member of the Board may succeed himself in office.

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

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

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

Section 6. Notice. Written notice of any special meeting of the Board shall be mailed or delivered to all members of the Association and all members of the Board not calling the meeting at least 48 hours before the date of such special meeting. Written notice of regular meetings of the Board shall be mailed or delivered to all members of the

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

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

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

Section 9. Vacancies. Any vacancy occurring in the Board by reason of death, removal or resignation of a member of the Board shall be filled by the two-thirds vote of the remaining members of the Board. A member elected by the Board to fill a vacancy shall serve until the next meeting of the members; provided that if a petition is filed with the Board signed by members holding 50% of the votes of the Association requesting a meeting of the members to fill the vacancy for the balance of the unexpired term of office of his predecessor, the term of the member so elected by the Board shall terminate 30 days after filing of the petition, and a meeting of the members for the purpose of filling such vacancy for such unexpired term shall be called no later than 30 days following the filing of such petition. Members of the Board, including those appointed by the Developer, may resign at any time by written resignation delivered or mailed to any officer of the Association, which resignation shall be effective upon receipt of said resignation. If, as a result of death, removal or resignation of a member of the Board, no member of the Board remains in office, a special meeting of the members may be called to fill all vacancies for the unexpired terms of the members of the Board.

Section 10. Removal. From and after the date of the first annual meeting of the members, any member of the Board may be removed from office by the affirmative vote of 50% of all the members of the Association at a special meeting called for such purpose.

Section 11. Adoption of Rules and Regulations. All rules and regulations or amendments thereto shall be adopted by the Board after a meeting of the members called for the specific purpose of discussing the proposed rules and regulations, notice of which

contains the full text of the proposed rules and regulations, which rules and regulations conform to the requirements of the Act and the Declaration and these Bylaws. No quorum required at such meeting of the members. 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. Such rules and regulations shall be effective sixty (60) days after their adoption, provided that the members may veto the rule or regulation at a special meeting of the members called for such purpose and held before the effective date of the rule or regulation, by a vote of 50% of all the members of the Association.

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

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

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

Section 13. Contracts. The Board may not enter into a contract with a current board member or with a corporation or partnership in which a board member has twenty-five percent (25%) or more interest unless notice of intent to enter the contract is given to Unit Owners within twenty (20) days after a decision is made to enter into the contract and the Unit Owners are afforded an opportunity by filing a petition, signed by Fifty percent (50%) of the Unit Owners, for an election to approve or disapprove the contract. Such petition shall be filed within twenty (20) days after such notice, and such election shall be held within thirty (30) days after filing the petition.

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

ARTICLE V

Officers

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

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

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

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term.

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

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

Section 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for money due and payable to the Association from any source whatsoever, and deposit all

such money in the name of the Association in those banks, companies, or other depositories as shall be selected in accordance with provisions of Article VII of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board.

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

ARTICLE VI

Powers and Duties of the Association and Board

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

- a. Operation, care, upkeep, maintenance, replacement, and improvement of the Common Elements.
- b. Preparation, adoption and distribution of the annual budget for the Property.
- c. Levying of assessments.
- d. Collection of assessments from Unit Owners.
- e. Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements.
- f. Obtaining adequate and appropriate kinds of insurance.
- g. Owning, conveying, encumbering, leasing and otherwise dealing with Units and land conveyed to or purchased by it.
- h. Adoption and amendment of rules and regulations covering the details of the

operation and use of Property.

- i. Keeping of detailed, accurate records of the receipt and expenditures affecting the use and operation of the Property.
- j. Having access to each Unit, from time to time, as may be necessary for the maintenance, repair, or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units.
- k. Borrowing money at such rates of interest as it may determine, issuing its notes, bonds, and other obligations to evidence such borrowing, and securing any of its obligations by making a mortgage or giving a security interest in all or any of its property or income.
- l. Paying real estate property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, that are authorized by law to be assessed and levied on the real property of the condominium (other than assessments on Units not owned by the Association).
- m. Imposing charges for late payments of a Unit Owner's proportionate share of the Common Expense, or any other expenses lawfully agreed on, and after notice and an opportunity to be heard, levying reasonable fines for violation of the Declaration, Bylaws, and rules and regulations of the Association.
- n. Assigning its rights to future income, including the right to receive Common Expenses assessments.
- o. Recording the dedication of a portion of the Common Elements to a public body for use, as, or in connection with, a street or utility, when authorized by the members under the provisions of Section 5c of the Declaration.
- p. Recording the granting of an easement for the laying of cable television cable when authorized by the members under the provisions of Section 5c of the Declaration.
- q. Recording the grant of an easement for construction, maintenance or repair of a project for protection against water damage or erosion.
- r. Making reasonable accommodations for the needs of handicapped Unit Owners, as required by the Human Rights Act, in the exercise of its powers

with respect to the use of Common Elements or approval of modification in an individual Unit.

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

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

a. To engage the services of a manager or managing agent, who may be any person, firm, or corporation, on such terms and compensation as the Association deems fit, and to remove such manager or managing agent at any time, provided any agreement with such manager or managing agent shall extend for not more than three years and must be terminable by either party to such agreement without cause and without payment of a termination fee, upon ninety (90) days or less prior written notice.

b. To engage the services of any person (including, but not limited to, accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Association, in the operation, repair, maintenance, and management of the Property, or in connection with any duty, responsibility, or right of the Association and to remove, at any time, any such personnel.

c. To establish or maintain one or more bank accounts for the deposit of any funds paid to or received by the Association.

d. To invest any funds of the Association in certificates of deposit, money market funds, or comparable investments.

e. Upon authorization of a majority vote of the members of the Board or by affirmative vote of not less than a majority of the Unit Owners at a meeting duly called for such purpose, the Board, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments, or charges of the State of Illinois or any political subdivision thereof or of any lawful taxing or assessing body, and to charge and collect all expenses incurred in connection therewith as Common Expenses.

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

Section 3. Authorized Expenditures. The Association shall acquire and make arrangements for, and pay out of the Maintenance Fund, in addition to the manager, managing agent, or other personnel above provided for, the following:

a. Water, waste removal, heating, electricity, telephone, or other necessary utility service for the Common Elements and such services to the Units as are not separately metered or charged to the owners thereof.

b. Such insurance as the Association is required or permitted to obtain as provided in the Declaration

c. Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair, and replacement of the Common Elements (but not including the Limited Common Elements not visible from the exterior of the Building, which the Unit Owners enjoying the use thereof shall paint, clean, decorate, maintain, and repair) and such furnishings and equipment for the Common Elements as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Elements. Anything in the Declaration or the foregoing to the contrary notwithstanding, (1) the Association shall be responsible for the repair and replacement of all skylights, windows, and doors provided that when the need for repair or replacement is due to the act or omission of a Unit Owner, guest, occupant, family member, or pet, the Association shall charge the Unit Owner for the cost of such repair or replacement; and (2) a Unit Owner shall be solely responsible for the maintenance, repair, and replacement of (a) the air conditioner compressor serving such Unit Owner's Unit exclusively and all pipes, ducts, and wires connecting such air conditioner compressor to the air conditioning equipment in the Unit Owner's Unit; and (b) heating equipment serving such Unit Owner's Unit exclusively no matter where the equipment is located and all pipes, ducts, and wires connecting such equipment to the Unit Owner's Unit.

d. Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments that the Association deems necessary or proper for the maintenance and operation of the Property or for the enforcement of any restrictions or provisions contained herein.

e. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof that may in the opinion of the Association constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Unit Owners. When one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Association by reason of said lien or liens shall be specially assessed to said Unit Owners and shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the Property, which lien

may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

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

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

All expenses, charges, and costs of the maintenance, repair, or replacement of the Common Elements, and any other expenses, charges, or costs the Association may incur or expend pursuant hereto, shall be approved by the Association and a written memorandum thereof prepared and signed by the treasurer. There shall be no structural alterations to, capital additions to, or capital improvements on the Common Elements or the adoption of special assessment with respect thereto (other than for purposes of repairing, replacing, and restoring portions of the Common Elements) requiring special assessment or expenditure in excess of Five Thousand Dollars (\$5,000) without the prior approval of 100 percent of the Unit Owners.

Section 4. Annual Budget.

a. Each year on or before November 1st, the Board shall estimate the annual budget of Common Expenses (Annual Budget), including the total amount required for the cost of wages, materials, insurance, services, and supplies that will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements (as hereinafter specified) and each Unit Owner's proposed Common Expense assessment, together with an indication of which portions of the Annual Budget are intended for capital expenditures or repairs or payment of real estate taxes. The board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least thirty (30) days before the adoption thereof. The Association shall give Unit Owners notice as provided in Article III, Section 4, of the Bylaws of the meeting of the Board at which the Board proposes to adopt the Annual Budget, or at which any increase or establishment of any assessment, regular or special, is proposed to be adopted.

b. If said Annual Budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessment, or any nonrecurring Common Expense or and Common Expense not set forth in the Annual Budget as adopted, the Board may at any time levy a further assessment, which shall be separately assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements, and which may be payable in one lump sum or such installments as the Board may determine. The Board shall serve notice of such further assessment on all Units (as provided in Article III, Section 4, of the Bylaws) by a statement in writing giving the amount and reasons thereof, and such further assessment shall become effective and shall be payable to such time or times as determined by the Board. All Unit Owners shall be obligated to pay the further assessment.

c. If an adopted Annual Budget or any special assessment requires assessment against Unit Owners in any year exceeding 115% of the assessments (both regular and special, if any) for the preceding year, the Board, upon written petition by Unit Owners representing 100% of the votes of the Association delivered to the Board within 14 days of the Board action, shall call a meeting of the Unit Owners within 30 days of the date of delivery of the petition to consider the budget or special assessment. Unless a majority of the Unit Owners are cast at a meeting to reject the budget or special assessment, it is ratified. In determining whether special assessments, together with regular assessments, exceed 115% of similar assessments in the preceding year, any separate assessment for expenditures relating to emergencies or mandated by law shall not be included in the computation, and the Board may approve such assessment without the right of Unit Owner veto set forth in this paragraph. As used herein, "emergencies" mean an immediate danger to the structural integrity of the Common Elements or to the life, health, safety, or property of the Unit Owners.

d. The Annual Budget shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. Each Unit Owner shall be obligated to pay to the Association, or as it may direct, the portion of the Annual Budget assessed to such owner in equal monthly installments (subject to acceleration as hereinafter provided) on or before January 1st of the ensuing year, and the 1st day of each and every month of said year. Notwithstanding the foregoing, assessments will not begin until such time as the Developer elects to stop paying all Association expenses; provided, however, that the Board of Managers will begin assessing all Unit Owners if and when a request is made therefor by FHLMC, FNMA, HUD, FHA, or VA.

e. The failure or delay of the Association to prepare or serve the Annual Budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owners' obligation to pay the maintenance and other costs and necessary Reserves, as herein provided, whenever the same shall be determined, and in the absence of an annual or adjusted budget, the Unit Owners shall continue to pay the monthly assessment charges at the then existing monthly rate established for the previous period until the monthly

assessment payment that is due more than ten (10) days after such new Annual Budget shall have been mailed.

f. Anything herein or in the Declaration contrary notwithstanding, the Board may charge to fewer than all Unit Owners such portion of the insurance premium for insurance the Association is required or permitted to obtain that reflects increased charges for coverage on the Units owned by such Unit Owners, on such reasonable basis as the Board shall determine. Such charge shall be considered a common expense with respect to the Units owned by such Unit Owners for all purposes herein and under the Declaration.

g. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.

Section 5. Annual Accounting.

a. On or before the 1st day of December of each calendar year commencing the year after the Developer has turned over the Association to the Unit Owners, the Association shall supply to all Unit Owners and itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with an indication of which portions of the Annual Budget were for capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget assessment, and showing the net excess or deficit of income over expenditures plus Reserves. Any amount accumulated in excess of the amount required for actual expenses and Reserves shall be credited according to each Unit Owners percentage of ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year's Annual Budget, until exhausted, and any net shortage shall be added, according to each Unit Owner's percentage of ownership of the Common Elements, to the installments due in the succeeding six months after rendering of the accounting.

b. The Association shall allow any First Mortgagee to examine the books and records of the Association during reasonable business hours and to receive, on request, annual reports and other financial data prepared by the Association or at its direction.

c. The Association shall provide an audited financial statement for the preceding fiscal year within one-hundred-twenty (120) days after the end of such fiscal year upon submission of a written request by any holder, insurer, or guarantor of a first mortgage secured by a Unit.

Section 6. Reserves.

a. The Association shall build up and maintain a reasonable Reserve for operations, contingencies, and replacement. To establish such Reserve, the Developer shall collect from each Unit Owner upon conveyance an amount equal to one sixth of the Annual Budget as initially established by the Developer for the first year following the first annual meeting of the members and allocable to such Unit and shall remit such amount to the Association. Extraordinary expenditures not originally included in the Annual Budget that may become necessary during the year shall be charged first against such Reserve. In addition, the Association or the Board shall have the right to segregate all or any portion of the Reserve for any specific replacement or contingency on such conditions as the Association or the Board deems appropriate. On or before the day of the first annual meeting of members, the Developer shall pay for each Unit then owned by the owner such Units percentage interest multiplied by one sixth of the Annual Budget as initially established by the Developer for the first year following the first annual meeting of members. When such Units are later sold, the Developer may collect from the purchasers of such units sufficient funds to reimburse itself for the funds paid at the time of the first annual meeting of the members. The Developer may not use any of the Reserve to defray any of its expenses or make up any budget deficits while Developer is in control of the Association.

b. The Annual Budget shall provide for reasonable Reserves for capital expenditures and deferred maintenance for repair or replacement of the Common Elements. To determine the amount of Reserves appropriate for the Association, the Board of Managers shall take into consideration the following: (1) the repair and replacement cost and the estimated useful life of the property the Association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the Building and Common Elements, and energy systems and equipment; (2) the current and anticipated return on investment of Association funds; (3) any independent professional reserve study the Association may obtain; (4) the financial impact on Unit Owners, and the market value of the Units, of any assessment increase needed to fund Reserves; and (5) the ability of the Association to obtain financing or refinancing. Anything to the contrary in the foregoing notwithstanding, the Association may elect to waive in whole or in part the Reserve requirements of this section by a vote of not less than 100% of the total votes of the Association. In the event the Association elects to waive all or part of the Reserve requirements of this section, such fact must be disclosed after the meeting at which such waiver occurs by the Association in the financial statements of the Association and, **highlighted in bold print**, in the response to any request of a prospective purchaser prescribed in the Act, and no member of the Board or the managing agent of the Association shall be liable, and no cause of action may be brought for damages against these parties, for the lack or inadequacy of Reserve funds in the Annual Budget. If the Association elects to waive all or part of such Reserve requirements, the Association may by a vote of not less than 100% of the total votes of the Association elect to again be governed by the Reserve requirements of this section.

Section 7. Default in Payment.

a. If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the Association may assess a service charge of up to 4% of the balance of the aforesaid charges and assessments for each month, or part thereof, that the balance, or any part thereof, remains unpaid. The Association may bring suit for and on behalf of itself and as representative of all Unit Owners, to enforce collection thereof, or to foreclose the lien therefor as provided by law; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the court. In addition, the Association may also take possession of such defaulting Unit Owner's interest in the Property and maintain an action for possession of the Unit in the manner provided by law. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Unit.

Section 8. Books of Account and Statement of Account.

a. The Association shall keep full and correct books of account, which shall be open for inspection by any Unit Owner or any representative of a Unit Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Unit Owner. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use, and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.

b. Upon ten (10) days notice to the Association and the payment of a reasonable fixed fee by the Association not to exceed Fifteen Dollars (\$15), 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.

Section 9. Other Powers and Duties. The Association may number and assign to any Unit Owner the exclusive privilege to use for storage purposes any portion of the Property designated for such purposes; provided, however, that the Association shall have the right of access to all such storage spaces that contain pipes, or other portions of the Common Elements, which the Association has the duty or right to maintain, repair, or replace. Any such designation by the Association shall not thereafter be changed except upon the affirmative vote of a majority of the Unit Owners. All property stored in a storage area shall be at the sole risk of the respective Unit Owner who has the privilege to use it, and neither the Association nor any other Unit Owner shall be considered a bailee or otherwise responsible therefor.

ARTICLE VII
Contracts, Checks, Deposits, and Funds

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents, of the Association, in addition too the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Association. In the absence of such determination by the Association, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

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

ARTICLE VIII
Books and Records

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

Section 2. Availability for Examination. The manager or Board shall maintain the following records of the Association available for examination and copying at convenient hours of weekdays by the Unit Owners or their duly authorized agents or attorneys:

a. Copies of the recorded Declaration and Bylaws and any amendments, Articles of Incorporation of the Association, if incorporated, annual reports, and any rules and regulations adopted by the Association or the Board; before the first annual meeting of members of the Association, the Developer shall maintain and make available for examination and copying the records set forth in this subsection a.

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 expenses incurred, and copies of all contracts, leases, or other agreements entered into by the Association.

c. The minutes of all meetings of the Association and the Board, which shall be maintained for seven years.

d. A record giving the names and addresses of the members entitled to vote.

e. Ballots and proxies related thereto for all elections to the Board and for any other matters voted on by the Unit Owners, which shall be maintained for not less than one year; provided, however, that in the event the Association adopts rules for secret ballot election as provided in the Act, then, unless directed by court order, only the voting ballot excluding the Unit number shall be subject to inspection and copying.

f. Such other records of the Association as are available for inspection by members of a not-for-profit corporation pursuant to the General Not For Profit Corporation Act of 1986 of the State of Illinois, as amended.

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

ARTICLE IX

Fiscal Year

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

ARTICLE X

Seal

If the Association is incorporated, the Board shall provided a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal, Illinois."

ARTICLE XI

Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of the General Not For Profit Corporation Act of 1986 of the State of Illinois or under the provisions of the articles of incorporation or Bylaws of the Association or the

Declaration, a waiver thereof (subject to all the provisions of such instruments) in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

Amendments to Bylaws

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted upon the affirmative vote of 100% of all the members at a regular meeting or any special meeting called for such purpose, by recording an instrument in writing setting forth such alteration, amendment, or repeal, which is signed and acknowledged by an authorized member of the Board and which contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained.

ARTICLE XIII

Indemnification

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that the indemnitee is or was a member of the Board or officer of the Association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the indemnitee in connection with such action, suit, or proceeding if the indemnitee acted in good faith and in a manner the indemnitee reasonably believed to be in or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the indemnitee reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the indemnitee is or was a member of the Board or an officer of the Association against expenses (including attorneys' fees) actually and reasonably incurred by the indemnitee in connection with the defense or settlement of such action or suit, if the indemnitee acted in good faith and in a manner the indemnitee reasonably believed to be in, or not opposed to, the best interests of the Association and except that no indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been adjudged

to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

To the extent that a member of the Board or officer of the Association has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in the foregoing two paragraphs, or in defense of any claim, issue, or matter therein, the indemnitee shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under the first two paragraphs of this Article shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the member of the Board or officer of the Association is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the first two paragraphs of this Article. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of members of the Board who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by a majority of the members of the Association.

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

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

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board, or otherwise, both as to action in his official capacity and as to action in other capacity while holding such office, and shall continue as to a person who has ceased to be a member of the Board or an officer of the Association.

ARTICLE XIV

Construction

- a. Nothing hereinabove contained shall in any way be construed as altering,

amending, or modifying the Declaration. The Declaration and these Bylaws shall always be construed to further the harmonious, beneficial, cooperative, and proper use of the Property. If there is any inconsistency or conflict between these Bylaws and the aforesaid Declaration, the provisions of the Declaration shall control.

b. All words and terms used herein that are also used in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

c. In the event the Association is incorporated, the words "Board of Directors" and "Director" shall be substituted for the words "Board" and "Member of the Board", respectively, wherever they appear herein.