

**TICOR TITLE INSURANCE COMPANY**

A8819

This Instrument was prepared  
by and after recording return  
to:

Richard D. Thomas  
Four Oaks Development Corp.  
118 S. Main St., Suite 11  
Wauconda, IL 60084

Exhibits A through E Attached

**4005686**

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LAKE COUNTY, IL  
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**DECLARATION OF CONDOMINIUM OWNERSHIP FOR**

**TANNERON BAY TOWNHOMES CONDOMINIUM**

This Declaration is made and entered into by Harris Bank  
Palatine, N.A., not individually, but solely as Trustee under  
Trust Agreement dated January 19, 1996, and known as Trust No.  
6646 ("Trustee").

**WITNESSETH:**

**WHEREAS,** the Trustee is the record title holder of the  
Development Area legally described in Exhibit "A" hereto, and  
intends to develop the Development Area by constructing thereon  
no more than 86 townhouse units under the Illinois Condominium  
Property Act ("the Act"). The development will be phased.  
Initially, the condominium (the "Condominium Property") shall  
consist of that portion of the Development Area, located in the  
County of Lake, State of Illinois, which is legally described in

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Exhibit "B" hereto. From time to time, the Trustee may add additional portions of the Development Area to the Condominium Property as "Added Property" by recording Amendments to the Declaration, as more fully provided for in Article Eight. Thus, as Amendments are recorded, the Condominium Property will expand to include more and more portions of the Development Area, and the Undeveloped Area shall correspondingly contract; and,

**WHEREAS**, Trustee shall be responsible for the administration of the Development Area; and,

**WHEREAS**, Trustee is desirous of establishing certain mutually beneficial restrictions and obligations concerning the proper administration, use, conduct, and maintenance of the Condominium Property.

**NOW, THEREFORE**, Trustee as record titleholder of the Condominium Parcel, hereby declares as follows:

## **ARTICLE ONE**

### **Definitions**

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

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

**1.02 Administrator:** Administrator of Department of Veterans Affairs.

**1.03 Association:** Tanneron Bay Townhomes Condominium Association, an Illinois not-for-profit corporation, its successors and assigns.

**1.04 Board:** The board of directors of the Association as constituted at any time or from time to time acting pursuant to the By-Laws through its duly elected Board.

**1.05 Bufferyard:** Open space areas which are landscaped and serve to ameliorate nuisances between adjacent land uses or between a land use and a road, as shown on the Plat, and which

shall be a part of the Common Elements.

**1.06 By-Laws:** The By-Laws of the Association which are attached hereto as Exhibit "E".

**1.07 Common Elements:** All of the Condominium Property, except the Dwelling Units. No part of the Undeveloped Area shall be deemed to be part of the Common Elements unless and until it has been added to the Condominium Property pursuant to the provisions of Article Eight.

**1.08 Common Expenses:** The expenses of Administration (including management and professional services), maintenance, repair, replacement, and landscaping of the Common Elements; the cost of additions, alterations, or improvements to the Common Elements; the cost of insurance required or permitted to be obtained by the Board under Article Six; utility expenses for the Common Elements; and expenses designated as Common Expenses by the Act, this Declaration, or the By-Laws; if not separately metered or charged to the Owners, the cost of waste removal, water, sewer, or other necessary utility services to the Condominium Property; the cost of the operation and maintenance (including the establishment of adequate reserves) of the water supply system; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners.

**1.09 Common Open Space:** That part of the Common Elements used for recreational, natural resource protection, bufferyard and/or storm water detention purposes, as shown on the Plat.

**1.10 County:** The County of Lake, Illinois.

**1.11 Declaration:** This instrument with all Exhibits hereto, as amended from time to time.

**1.12 Declarant:** Harris Bank Palatine, N.A., not individually, but solely as Trustee under Trust Agreement dated January 19, 1996, and known as Trust No. 6646.

**1.13 Developer:** Wooster Lake Limited Partnership, and the successors and assigns of all of the interest of Developer in the Condominium Property other than purchasers of individual Dwelling Units.

**1.14 Development Area:** The real estate described in Exhibit "A" hereto with all improvements thereon and rights appurtenant thereto.

**1.15 Dwelling Unit:** A part of the Condominium Property, including one or more rooms, designated or intended for independent use and having lawful access to a public way. Each Dwelling Unit shall consist of the space enclosed and bounded by the planes constituting the boundaries of such Dwelling Unit as shown on the Plat and the fixtures and improvements located wholly within such boundaries which serve such Dwelling Unit exclusively. A Dwelling Unit shall not include the following, wherever located:

(a) any structural components of the Condominium Property; or

(b) any component of a system which serves more than one Dwelling Unit where such component is an integral part of such system and is not intended to serve the Dwelling Unit exclusively.

Each Dwelling Unit is identified on the Plat by a distinguishing number or other symbol. The legal description of each Dwelling Unit shall refer to such identifying number or symbol and every such description shall be deemed good and sufficient for all purposes, as provided in the Act.

**1.16 Final Plat of Tanneron Bay:** The Final Plat of Tanneron Bay, being a open space multiplex subdivision of part of the South Half of the Northeast Quarter of Section 23, Township 45 North, Range 9 East of the Third Principal Meridian, in Lake County, Illinois, according to the Final Plat thereof recorded in the Office of the Recorder of Deeds of Lake County, Illinois, on November 25, 1996, as Document Number 3903841.

**1.17 First Mortgage:** A bona fide first mortgage, first trust deed or equivalent security interest covering a Unit Ownership.

**1.18 First Mortgagee:** The holder of a bona fide first mortgage, first trust deed or equivalent security interest covering a Unit Ownership. Any reference herein to a specified percentage of the First Mortgagees shall mean the First

Mortgagees of that number of Dwelling Units which is equal to the number of Dwelling Units covered by first mortgages, first trust deeds or equivalent security interests multiplied by such percentage, rounded upward to the next full number.

**1.19 Limited Common Elements:** A portion or portions of the Common Elements which are designated by this Declaration or the Plat as being a Limited Common Element appurtenant to and for the exclusive use of Owners of one or more, but less than all of the Dwelling Units. Without limiting the foregoing, the Limited Common Elements assigned and appurtenant to each Dwelling Unit shall include the following (Exclusive Limited Common Elements):

- (a) perimeter doors and windows which serve the Dwelling Unit,
- (b) the unfinished interior surface of perimeter walls, ceilings and floors which define the boundary planes of the Dwelling Unit,
- (c) balconies, patios, sidewalks and driveways for the individual Units which are designed on the Plat as being Exclusive Limited Common Elements appurtenant to the Dwelling Unit,
- (d) outdoor lighting serving balconies and patios which is controlled from within a Dwelling Unit, and
- (e) any system or component part thereof which serves the Dwelling Unit exclusively to the extent that such system or component part is located outside the boundaries of the Dwelling Unit.

*Stairs are Exclusive - Stairs are owner, exterior & Sidewalks.*

**1.20 Majority or Majority of the Unit Owners:** The owners of more than 50% in the aggregate 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.

**1.21 Natural Resource Protection Area:** Open space areas for the protection of the natural resources and environmental features, as shown on the Plat, and which shall be a part of the Common Elements.

**1.22 Owner:** A Record owner, whether one or more Persons, whole estates or interests individually or collectively aggregate fee simple absolute ownership of any Dwelling Unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The Trustee shall be deemed to be an Owner with respect to each Dwelling Unit owned by the Trustee.

**1.23 Parcel or Condominium Parcel:** The real estate which

is legally described in Exhibit "B" hereto, as Exhibit "B" may be amended from time to time, together with all rights appurtenant thereto.

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

**1.25 Plat:** The plat or plats of survey attached and hereafter attached as Exhibit "C" hereto and as Exhibit "C" may be amended from time to time, which set forth the measurements, elevations, and locations of the Condominium Property, and the location of the planes which constitute the perimeter boundaries of each Dwelling Unit, a distinguishing number or other symbol to identify each Dwelling Unit, and such other data as may be required by the Act.

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

**1.27 Record:** To record with the Recorder of Deeds of Lake County, Illinois.

**1.28 Recreational Area:** Open space areas designated for specific recreational uses, as shown on the Plat, and which shall be a part of the Common Elements.

**1.29 Resident:** An individual who resides in a Dwelling Unit and who is either an owner, a tenant of the Owner, a contract purchaser of the Dwelling Unit, or a relative of any such Owner tenant or contract purchaser.

**1.30 School District Developer Donation Agreements:** The Agreements with the Grant Community High School District 124 and Big Hollow School District No. 38, Recorded on November 25, 1996, as Document Numbers 3903844 & 3903845 and 3903842 & 3903843, respectively.

**1.31 Storm water Management Facilities:** The man-made

facilities used for conducting storm water through the Property which shall be a part of the Common Elements.

**1.32 Turnover Date:** The date on which any one of the following shall first occur:

(a) Sixty (60) days after Declarant has conveyed sixty-five (65) Dwelling Units to purchasers for value (being 75% of the number of Dwelling Units which the Declarant believes may be made subject to this Declaration);

(b) The expiration of three (3) years from the date of the Recording of this Declaration;

(c) The date designated in written notice from the Declarant to all of the Owners as being the Turnover Date;

(d) The date which control of the Condominium Association must be turned over to the Owners as required under the Act.

**1.33 Undeveloped Area:** That part of the Development Area which is not a part of the Condominium Parcel.

**1.34 Undivided Interest:** The Percentage of ownership interest in the Common Elements appurtenant to a Dwelling Unit as herein and hereafter allocated on Exhibit "D" hereto, as Exhibit "D" may be amended from time to time.

**1.35 Unit Ownership:** A part of the Condominium Property consisting of one Dwelling Unit and its Undivided Interest.

**1.36 Voting Member:** The individual who shall be entitled to vote in person or by proxy at meetings of the Owners, as more fully set forth in Article Five.

## ARTICLE TWO

### DEVELOPMENT

**2.01 Real Estate Subject to Declaration:** Trustee is the owner of fee simple title to the Development Area. The Development Area has been subdivided in accordance with the Final

Plat of Tanneron Bay. The Development Area is divided into two categories of real estate, the Condominium Parcel and the Undeveloped Area. Upon the Recording of this Declaration, the Condominium Parcel shall consist of the Parcel which is legally described in Exhibit "B", and the Undeveloped Area shall consist of that portion of the Development Area which is not legally described in Exhibit "B". Trustee, as the owner of fee simple title to the Condominium Parcel, expressly intends to and, by Recording this Declaration, does hereby subject and submit the Condominium Parcel and the Condominium Property to the provisions of the Act. Trustee shall have the right to subject additional portions of the Development Area to the provisions of the Act as provided in Article Eight. No part of the Undeveloped Area shall be part of the Condominium Parcel or the Condominium Property unless and until it is specifically made a part of the Condominium Property by the recording of an Amendment to the Declaration pursuant to the provisions of Article Eight. Nothing in this Declaration shall be deemed to obligate the Trustee to make any part of the Undeveloped Area part of the Condominium Property. The Undeveloped Area may be used for any purpose not prohibited by law. Without limiting the foregoing, any part of or all of the Undeveloped Area may be made subject to the Act as part of a condominium other than the condominium provided for in this Declaration and, in such case, any such real estate shall constitute to be deemed to be Undeveloped Area for the purposes of this Declaration.

**2.02 Conveyances Subject to Declaration:** All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any person having at any time any interest or estate in the Condominium Property, and their respective heirs, successors, personal representatives or assigns, the Association and the County. Reference in any deed of conveyance, lease, mortgage, trust deed, other evidence of obligation, or other instrument to the provisions of this Declaration shall be sufficient to create and reserve all of the easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved, or declared by this Declaration, as fully and completely as though they were set forth in their entirety in any such document.



## 2.03 Encroachments and Easements:

(a) In the event that, by reason of the construction, repair, reconstruction, settlement or shifting of the Condominium Property or any part thereof, (i) any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Dwelling Unit, or (ii) any part of any Dwelling Unit encroaches or shall hereafter encroach upon any part of any other Dwelling Unit or the Common Elements, then, in any such case, there shall be deemed to be an easement in favor of the Owners for the maintenance and use of any of the Common Elements which may encroach upon a Dwelling Unit and there shall be deemed to be an easement in favor of any Owner for the exclusive use of any part of his Dwelling Unit which shall encroach upon the Common Elements or any other Dwelling Unit; provided, however, that in no event shall an easement for any encroachment be created in favor of any Owner if such encroachment occurred due to the intentional, willful or negligent conduct of such Owner or his agent.

(b) Utility, Access, and Cable Television Easements: Ameritech, Commonwealth Edison Company, Northern Illinois Gas Company, the cable television provider and all other public and private utilities and service providers serving the Condominium Property are hereby granted perpetual easements in order to lay, construct, renew, operate and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Condominium Property, for the purpose of providing utility and cable television services to the Condominium Property.

(c) Storm water Management Facility Easement: The County is hereby granted a perpetual, non-exclusive easement to enter upon, on or over the Storm Water Management Facility and other Common Open Space areas, for the purpose of insuring that said Storm Water Management Facility is used and maintained in accordance with the Declaration and all applicable County ordinances.

(d) All easements and rights described herein are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the Trustee, its successors and assigns, and any Owner, purchaser, mortgagee, the County and other person having an interest in said land, or any part or

portion thereof.

(e) The private roads and guest parking areas in the Condominium Property shall be Common Elements. Non-exclusive perpetual access easements are hereby granted over and upon the private roads located on the Condominium Property to and from the Undeveloped Area. Non-exclusive perpetual access easements are hereby granted to the Tanneron Bay Marina Condominium Association over that portion of Outlot "B" depicted on the Final Plat of Tanneron Bay.

(f) 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 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.

(g) The failure of the Association to enforce the provisions of this Declaration with respect to the proper use and maintenance of any storm water management facility or any other Common Open Space area in the subdivision, shall operate to empower the County to act for and on behalf of the Association, subject to reasonable inspection notice and demand requirements, and perform all maintenance or other operations necessary to ensure that all storm water management facilities and other Common Open Space areas function and may be used as intended by the County zoning ordinance; except that, in the event that the County finds that the failure to enforce the provisions of this Declaration has created an immediate threat to public health, safety and welfare, the County shall not be required to give notice before causing the correction of the problems arising from the failure of the Association to enforce the provisions of this Declaration. Furthermore, the County shall be entitled to reimbursement by the Association for all reasonable costs incurred by the County in acting for and on behalf of, the Association.

**2.04 Ownership of Common Elements:** Each Owner shall own an undivided interest in the Common Elements as a tenant in common with all the other Owners. Each Dwelling Unit's corresponding percentage of ownership in the Common Elements (Undivided Interest) has been determined by Developer as required under the

Act to be as set forth in Exhibit "D" attached hereto. Exhibit "D" may not be changed without unanimous written approval of all Owners and all First Mortgagees, except as hereinafter provided in Section 6.06 or 6.07 or in Article Eight or as permitted under the Act. The Common Elements shall remain undivided and no Owner shall bring any action for partition.

**2.05 Owners' Rights To Use The Common Elements:**

(a) Each Owner shall have the right to use the Common Elements (except the Limited Common Elements or portions occupied pursuant to leases, licenses or concessions made by the Board) in common with all other Owners, as may be required for ingress and egress to and from his respective Dwelling Unit, and for such other purposes not prohibited hereunder.

(b) Each Owner shall have the right to the exclusive use and possession of the Exclusive Limited Common Elements which serve his Dwelling Unit. Each Owner shall have the right to the use, in common with other Owners, of the Limited Common Elements which serve his Dwelling Unit and the Dwelling Units of such other Owners.

(c) The rights to use and possess the Common Elements, including the Limited Common Elements and Exclusive Limited Common Elements, as herein provided, shall extend to each Owner, and the agents, servants, tenants, family and invitee of each Owner and such rights and easements shall be subject to and governed by the provisions of the Act, this Declaration, the By-Laws, and the reasonable rules and regulations of the Board.

**2.06 Board's Right of Entry:** The Board or its agents, upon reasonable notice or, in the case of an emergency, without notice, shall have the right to enter any Dwelling Unit, including any of the appurtenant Limited Common Elements and Exclusive Limited Common Elements, when necessary in connection with any maintenance, repair and replacement for which the Board is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board, as a Common Expense.

**2.07 Lease of Dwelling Unit:** Any Owner shall have the right to lease all (but not less than all) of his Dwelling Unit upon such terms and conditions as the Owner may deem advisable,

except, that no Dwelling Unit shall be leased for transient or hotel purposes, which are hereby defined as being for a period of less than thirty (30) days or for a period of more than thirty (30) days where hotel services normally furnished by a hotel (such as room service or maid service) are furnished. Any such lease shall be in writing and shall provide that the lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease.

**2.08 Rights of Way and Streets:** The dedicated rights of way which are shown on the Plat, and all streets, public sidewalks and other improvements located within said dedicated rights of way, shall not be Common Elements and shall be owned and maintained in perpetuity by Grant Township, Illinois, its successors and/or assigns.

**2.09 Private Water Supply System:** The cost of maintenance, operation and upkeep of the private water supply system shall be a Common Expense. The Board shall have the authority and duty to operate, maintain, manage and use the private water supply system, for and on behalf of the Owners and to adopt such regulations and establish such reserves for repairs and replacements as it shall deem necessary governing the use and operation of the private water supply system. The Board shall have the authority to contract with such consultants, water management companies and operators for the private water supply system, as it shall deem necessary or advisable. The private water supply system in the Condominium Property shall be part of the Common Elements.

### **ARTICLE THREE**

#### **Assessments, Mortgages and Taxes**

**3.01 Assessments:** The Declarant, for each Unit Ownership hereby covenants, and each Owner of a Unit Ownership by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be and is deemed to covenant and hereby agrees to pay to the Association such assessments or other charges or payments as are levied pursuant to the provisions of this Declaration and the By-Laws. Payment thereof shall be in such amounts and at such times as

determined in the manner provided in this Declaration and the By-Laws. If any Unit Owner shall fail or refuse to make any such payment of such assessments or other charges or payments when due, the amount thereof together with interest thereon and the costs of collection shall constitute a lien on the Unit Ownership as provided in the Act. In addition, each such assessment, or other charges or payments, together with interest thereon and the costs of collection shall be the personal obligation of the Owner of such Unit Ownership when due.

**3.02 Purpose of Assessments:** The assessments levied by the Condominium Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of the members of the Condominium Association, to administer the affairs of the Condominium Association, and to pay the Common Expenses.

**3.03 Annual Assessment:** Each year at least sixty (60) days before the end of the Condominium Association's fiscal year, and at least thirty (30) days before final adoption thereof, the Board shall furnish each Owner with a proposed budget for the ensuing fiscal year which shall show the following, with reasonable explanations and itemizations:

(a) the estimated Common Expenses with an allocation of portions thereof for the payment of real estate taxes, if any;

(b) The estimated amount, if any to maintain adequate reserves for Common Expenses;

(c) The estimated net available cash receipts from sources other than assessments, including, without limitation, receipts from any leases, licenses or concessions;

(d) The amount of the "Annual Assessment", which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) above, minus the amount determined in (c) above, minus excess funds, if any, from the current year's operation;

(e) That portion of the Annual Assessment which shall be payable by the Owner with respect to his Dwelling Unit each month until the next Annual Assessment or revised annual Assessment becomes effective, which monthly portion shall be equal to one twelfth (1/12th) of the Annual Assessment multiplied by the

Dwelling Unit's Undivided Interest.

**3.04 Payment of Assessments:** On or before the first day of the fiscal year, and on or before the first day of each and every month thereafter until the effective date of the next Annual Assessment, each Owner of a Dwelling Unit shall pay to the Condominium Association, or as it may direct, that portion of the Annual Assessment, which is payable by such Owner.

**3.05 Revised Assessment:** If the Annual Assessment proves to exceed funds reasonably needed, then the Board may decrease the assessments payable under Section 3.03 as of the first day of a month by the giving of written notice thereof (together with a revised budget for the balance of the year and reasons for the decrease) not less than ten (10) days prior to the effective date of the decreased assessment.

**3.06 Special Assessment:** The Board may levy a special assessment (i) to pay (or build up reserves to pay) extraordinary expenses incurred (or to be incurred) by the Condominium Association for a specific purpose including, without limitation, to make major repairs, additions, alterations or improvements to the Common Elements, or (ii) to cover an unanticipated deficit under the current or prior year's budget, or (iii) to cover any common expense not in the budget or an assessment increase over the amount adopted in the budget. Each Unit Owner shall receive, at least thirty days prior to the adoption thereof by the Board, a copy of the proposed special assessment. Any special assessment which if adopted by the Board would result in the sum of all regular and special assessments payable in the current year exceeding 115% of the sum of all regular and special assessments payable during the preceding fiscal year, the Board, upon written petition by Unit Owners with 20 percent 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 special assessment. Unless a majority of the total votes of the Unit Owners are cast at the meeting to reject the special assessment, it is ratified.

Each Owner shall be responsible for the payment of the amount of the special assessment multiplied by his Dwelling Unit's Undivided Interest. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the

amount and reasons therefor, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the current or prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

**3.07 Annual Report:** Within a reasonable time after the close of the Condominium Association's fiscal year, the Board shall furnish each Owner with an itemized account of the Common Expenses for such fiscal year actually incurred or paid, together with an indication of which portions of the Common Expenses for such fiscal year were incurred or paid for capital expenditures or repairs or the payments of real estate taxes, if any, and with a tabulation of the amounts collected for the Annual Assessment and showing the net excess or deficit of income over expenditures, plus reserves.

**3.08 Capital Reserve:** The Condominium Association shall segregate and maintain a special reserve account to be used solely for making capital expenditures in connection with the Common elements, including a reserve fund for replacements (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common elements and equipment owned by the Condominium Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of equipment to be used by the Condominium Association in connection with its duties hereunder. The Capital Reserve may be built up by special assessment or out of the Annual Assessment as provided in the budget. Each budget shall disclose that percentage of the Annual Assessment which shall be added to the Capital Reserve and shall also disclose (i) which portion thereof is for capital expenditures with respect to the Common elements and (ii) which portion thereof is for capital expenditures with respect to property owned or to be owned by the Condominium Association. Special accounts set up for portions of the Capital Reserve to be used to make capital expenditures with respect to the Common Elements shall be held by the Condominium Association as agent and trustee for the Owners and such accounts shall be deemed to have been funded by capital contributions to the Condominium Association by the Owners.

**3.09 Initial Capital Contribution:** Upon the closing of the sale of each Dwelling Unit by the Declarant to a purchaser of value, the purchasing Owner shall (i) make a capital contribution to the Condominium Association in an amount equal to one-third (1/3) of the current year's Annual Assessment for that Dwelling Unit, which amount shall be held and used by the Condominium Association for its working capital needs (and not as an advance payment of the Annual Assessment), and (ii) deposit with the Condominium Association an amount equal to the estimated portion of the next annual hazard insurance premium allocable to the Dwelling Unit, as determined by the Board in its reasonable discretion.

**3.10 Non-Payment of Assessments:** Any assessments or other charges or payments which an Owner is required to make or is liable for hereunder which are not paid when due shall be deemed delinquent. If an assessment or other charge or payment is not paid within thirty (30) days after the due date, it shall bear interest from the due date at the contract rate permitted in Illinois, but not to exceed eighteen percent (18%) per annum, and the Board (i) may bring an action against the Owner's personally obligation to pay the same, together with interest, costs and obligated to pay the same, together with interest, costs and reasonable attorney's fees of such action, which shall be added to the amount of such assessment or other charge or payment and shall be included in any judgment rendered in such action and (ii) may enforce and foreclose any lien which it has or which may exist for its benefit. In addition, the Board may in its discretion charge reasonable late fees for the late payment of assessments or other charges. No Owner may waive or otherwise escape liability for the assessments or other charges or payment provided for herein by nonuse, abandonment or transfer of his Dwelling Unit.

**3.11 Condominium Association's Lien Subordinated to Mortgages:** The lien on each Unit Ownership provided for in Section 3.01 for assessments or other charges or payments shall be subordinated the lien of any First Mortgage on the Unit Ownership Recorded prior to the date that any such assessments or other charges or payments become due. Except as hereinafter provided, the lien provided for in Section 3.01 shall not be affected by any transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure of



a First Mortgage, such transfer of title shall to the extent permitted by law extinguish the lien for any assessments or other charges or payments under Section 3.01 which became due prior to (i) the date of the transfer of title or (ii) the date on which the transferee comes into possession of the Dwelling Unit, whichever occurs first. However, the transferee of a Unit Ownership shall be liable for his share of any assessments or other charges or payments with respect to which a lien against his Unit Ownership has been extinguished pursuant to the preceding sentence which are reallocated among the Owners pursuant to a subsequently adopted annual, revised or special assessment, and nonpayment thereof shall result in a lien against the transferee's Unit Ownership as provided in Section 3.01. If for any reason the owner of a Dwelling Unit during the pendency of a foreclosure action with respect to the Dwelling Unit, the Owner shall be required to pay a reasonable rental for such right and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect such rental.

**3.12 Statement of Account:** Upon seven (7) days notice to the Board and the payment of a reasonable fee, if any, which may be set by the Board, any Owner shall be furnished with a statement of his account setting forth the amount of any assessments or other charges due and owing from the Owner as of the date of the statement. The statement shall be executed by a duly authorized officer or agent of the Condominium Association and shall be binding on the Condominium Association.

**3.13 Separate Mortgages:** Each Owner shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance or other lien on his respective Unit Ownership. No Owner shall have the right or authority to make or create, or to cause to be made or created, any mortgage or encumbrance or other lien on or affecting the Condominium Property or any part thereof, except only to the extent of his Unit Ownership.

**3.14 Real Estate Taxes:** Real estate taxes, special assessments, and any other special taxes or charges of the State of Illinois or any duly authorized subdivision or agency thereof, are to be separately taxed to each Owner for his Unit Ownership, as provided in the Act. The Trustee shall be responsible for the payment of that portion, if any, of the taxes which is allocable to the Undeveloped Area.

## ARTICLE FOUR

### Use, Occupancy and Maintenance of the Property

#### **4.01 Maintenance, Repairs and Replacements of Common Elements:**

(a) Except as otherwise specifically provided in this Declaration, decorating, maintenance, repair and replacement of the Common Elements shall be furnished by the Board as part of the Common Expenses.

(b) All Storm Water Management Facilities and other Common Open Space areas as shown on the Plat shall be used only for the purposes set forth in the County zoning ordinance. The Storm Water Management Facilities and Common Open Space areas shall be a part of the Common Elements.

(c) Each Owner shall furnish at his expense all of the decorating, maintenance, repair and replacement of the Exclusive Limited Common Elements appurtenant to his Dwelling Unit. If in the opinion of the Board an Owner has failed to furnish the work required above and such failure adversely affects the appearance or structural integrity of the Condominium Property, then the Board may cause such work to be furnished and charge the Owner for the cost of the work. With respect to a particular category or class of Limited Common Elements (other than the Exclusive Limited Common Elements appurtenant to his Dwelling Unit), instead of furnishing the maintenance, repair or replacement of such category or class of Limited Common Elements as a Common Expense, the Board may, in its discretion, (i) require each Owner to furnish such services to the Limited Common Elements which are appurtenant to his Dwelling Unit at his own expense; or (ii) furnish such services to the Limited Common Elements but assess the cost thereof directly to the Owners of Dwelling Units benefited thereby on the basis of Undivided Interests or in equal shares, whichever the Board feels, in its sole discretion, to be appropriate.

**4.02 Use and Maintenance of Common Open Space:** The use and maintenance of Common Open Space areas as shown on the Final Plat of Tanneron Bay shall conform to the following requirements for each type of area and shall be maintained by the Board as a Common Expense, except as provided below:

(a) Natural Resource Protection Areas. Maintenance of the Natural Resource Protection areas shall consist of the removal of litter, junk and debris. Maintenance may also include the removal of dead or diseased vegetation and such noxious species as Lonicera tatarica (Honeysuckle), Rhamnus cathartica (Buckthorn) or other invasive species which are or may be detrimental to the health of the resource being protected. Outlot "B" depicted on the Final Plat of Tanneron Bay as "Common Open Space for Natural Resource Protection" shall protect the shoreline and lake. Uses normally associated with the use and enjoyment of lakes and ponds shall be permitted, including but not specifically limited to: the installation, use and maintenance of beach areas, boat ramp, docks, piers, paths, and walkways; swimming; fishing; boating and other activities normally associated with such resources. All such activities shall be governed by the Rules and Regulations of the Association. The Association shall endeavor to make a contribution to maintain the cleanliness of the Lake, including such practices as the careful use of lawn and garden chemicals, the use of appropriate grasses and groundcovers, the use of a buffer strip to filter pollutants and stabilize the shore edge, the prompt seeding of bare soil to minimize erosion, not burning waste along the lake shore and such other practices as the Association shall deem to be advisable. Outlot "B" shall be maintained by the Board as a Common Expense, except the docks, piers and related fixtures shall be owned and maintained by the Tanneron Bay Marina Condominium Association.

(b) Recreational Areas. Maintenance of Recreational areas shall consist of all acts necessary to ensure that they remain in usable condition and that no hazards, nuisances or unhealthy conditions exist. That portion of Outlot "A" depicted on the Plat as "Common Open Space for Recreational Purposes" shall be used for recreational purposes, including but not specifically limited to a tot lot, picnic area and other similar uses. That portion of Outlot "A" depicted on the Plat as "Recreational Storage Building" shall be utilized for the storage of boats and other recreational materials in accordance with the Rules and Regulations of the Association. The Association may charge the Owners a fee, in addition to the Common Expenses, for their use of the Boat and Storage Building. Outlot "A" shall be maintained by the Association as a Common Expense.

(c) Bufferyard Areas. Maintenance of Bufferyard areas

shall consist of all acts necessary to ensure that such areas remain aesthetically and functionally usable as originally designed and that no hazards, nuisances or unhealthy conditions exist. This shall include the removal of litter, junk and debris and the replacement of dead or diseased vegetation.

(d) Storm Water Detention Areas. Maintenance of storm water detention/retention areas shall consist of all acts necessary to comply with the County site development regulations.

#### 4.03 Maintenance, Repair and Replacement of Units:

(a) Each Owner shall furnish and be responsible, at his expense, for all of the maintenance, repairs and replacements within his Dwelling Unit and shall keep his Dwelling Unit in good condition and repair. The Board may, in its discretion, cause maintenance services to be performed within a Dwelling Unit upon the request of an Owner and may charge a reasonable fee for such services

(b) Whenever the Board shall determine, in its discretion, that any maintenance, repair, or replacement of any Dwelling Unit is necessary to protect the Common Elements or any other portion of the Condominium Property (i) if such work is made necessary through the fault of the Owner, then the Board may direct the Owner thereof to perform such maintenance, repair, or replacement and pay the cost thereof, or (ii) if such work is made necessary through no fault of the Owner, then the Board may cause the work to be done and the cost thereof shall be a Common Expense. If an Owner fails or refuses to perform any such maintenance, repair, or replacement within a reasonable time after so directed by the Board pursuant to the preceding sentence, then the Board may cause such maintenance, repair, or replacement to be performed at the expense of such Owner. The determination of whether or not the work is made necessary through the fault of the Owner shall be made by the Board and such determination shall be final and binding.

#### 4.04 Additions, Alterations Or Improvements:

(a) The Board may authorize and charge as a Common Expense (or in the case of Limited Common Elements may charge the Owners benefited thereby) additions, alterations, or improvements to the Common Elements. Subject to the provisions of the By-

Laws, the cost of any such work to the Common Elements may be out of special assessment.

(b) No additions, alterations or improvements shall be made by an Owner to any part of the Common Elements and no additions, alterations or improvements shall be made by an Owner to his Dwelling Unit or to the Limited Common Elements appurtenant thereto (where such work alters the structure of the Dwelling Unit or increases the cost of insurance required to be carried by the Board hereunder) without the prior written consent of the Board. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by an Owner upon the Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standard as the Board may from time to time set, or (ii) to pay to the Association from time to time the additional cost of maintenance and/or insurance as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by an Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions:

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

(2) If the Owner refuses or fails to properly perform the work required under (1), the Board may cause such work to be done and may charge the Owner for the cost thereof as determined by the Board; or

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

**4.05 Damage Caused by Owner:** If, due to the act of or the neglect of an Owner, household pet or of a guest or other authorized occupant or invitee of such Owner, damage shall be caused to a part of the Condominium Property and maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs, and replacements, as may be determined by the Board, to the extent not covered by insurance,

if any, carried by the Association.

**4.06 Use Restrictions:** Except as provided in Section 5.05 or Article Eleven, each Dwelling Unit shall be used only as a residence; provided, that, no Unit Owner shall be precluded with respect to his Dwelling Unit, from (i) maintaining a personal professional library, (ii) keeping his personal business records or accounts therein or (iii) handling his personal business or professional calls or correspondence therefrom.

**4.07 Window Treatment/Floor Covering:** The use of the covering of the interior surfaces of windows, whether by draperies, shades or other items visible from the exterior of the Dwelling Unit shall be subject to the rules and regulations of the Board. The Board may set standards concerning the sound transmission quality of flooring or floor covering within the Dwelling Units, may prohibit certain types of flooring or floor covering within the Dwelling Units, and if necessary to avoid or abate the disturbance of neighboring Owners, may require an Owner to carpet his Dwelling Unit with carpeting satisfactory to the Board.

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

**4.09 Use Affecting Insurance:** Nothing shall be done or kept in any Dwelling Unit or in the Common Elements which will increase the rate of insurance on the Condominium Property or contents thereof, applicable for residential use, without prior written consent of the Board. No Owner shall permit anything to be done or kept in his Dwelling Unit or in the Common elements which will result in the cancellation of insurance on the Condominium Property, or contents thereof, or which would be in violation of any law.

**4.10 Signs:** Except as provided in Article Eleven, or permitted by the Board, no "For Sale," "For Rent" or other

solicitation or advertising sign or window display shall be maintained or permitted on the Condominium Property.

**4.11 Animals:** No animals shall be raised, bred or kept in any Dwelling Unit for any commercial purpose. No pet shall be kept in the Common Elements. The Board may from time to time adopt rules and regulations governing the keeping of pets in the Dwelling Units. Such rules and regulations may prohibit certain species of pets from being kept in the Dwelling Units. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from a Dwelling Unit upon three (3) days' written notice from the Board to the Owner of the Dwelling Unit containing such pet, and the decision of the Board shall be final.

**4.12 Structural Impairment:** Nothing shall be done in, on or to any part of the Condominium Property which would impair the structural integrity of any building or structure located on the Condominium Property.

**4.13 Proscribed Activities:** No noxious or offensive activity shall be carried on in the Condominium Property and nothing shall be done in the Condominium Property, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or occupants of the Dwelling Units. An Owner shall not place or cause to be placed in the vestibules, stairways, and other Common Elements of a similar nature, any furniture, packages or objects of any kind. Such area shall be used for no other purpose than for normal transit through them. All garbage or refuse shall only be bagged for pick up, and cans or other types of containers are proscribed.

**4.14 No Unsightly Uses:** No clothes, sheets, blankets, laundry of any kind, or other similar articles shall be hung out on any part of the Common Elements except as permitted by rules and regulations of the Board. The Condominium Property shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Board.

**4.15 Rules and Regulations:** The use and enjoyment of the Condominium Property shall be subject to reasonable rules and regulations duly adopted by the Board from time to time, as

provided in the By-Laws.

## ARTICLE FIVE

### The Association

**5.01 The Association:** Developer has caused the Association to be incorporated as a not-for-profit corporation. The Association shall be the governing body for all of the Owners and for the administration and operation of the Condominium Property as provided in the Act, this Declaration, and the By-Laws. All agreements and determinations lawfully made by the Association shall be deemed to be binding on all Owners and their respective successors and assigns.

#### **5.02 Membership:**

(a) There shall be only one class of membership in the Association. The Owner of each Dwelling Unit shall be a member of the Association. There shall be one membership per Unit Ownership. Membership shall be appurtenant to and may not be separated from ownership of a Dwelling Unit. Ownership of a Dwelling Unit shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Dwelling Unit within ten (10) days after such change.

(b) One individual shall be designated as the "Voting Member" for each Unit Ownership. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners. If the Record Ownership of a Dwelling Unit shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Dwelling Unit shall be designated by such Owner or Owners in writing to the Board, as more fully provided for in Article IV of the By-Laws.

**5.03 The Board:** From and after the Turnover Date, the Board shall consist of the number of individuals provided for in Section 5.01 of the By-Laws, each of whom shall be an Owner or a Voting Member. The Board shall be elected at each annual meeting of the Owners as provided in the By-Laws.



**5.04 Voting Rights:** Whenever a vote of the Owners of the Association is required, at any meeting of such Owners or otherwise, such votes shall be cast by the Voting Members or their proxies and each Voting Member shall have a vote equal to the Undivided Interest of the Dwelling Unit represented by him, multiplied by .100; i.e., a Voting Member who represents a Dwelling Unit which has an Undivided Interest of 1.25% shall be entitled to cast 1.25 votes. Provided, that, when 30% or fewer of the Dwelling Units, by number, possess over 50% in the aggregate of the votes, any percentage vote of members specified in the Act, this Declaration, or the By-Laws shall require the specified percentage by number of Dwelling Units rather than by Undivided Interest.

**5.05 Managing Agent:** Except as provided in Section 11.04, the term of any management agreement covering the management of the Condominium Property shall not exceed one year, and shall be terminable for cause by the Association on thirty (30) days written notice and without cause or payment of a termination fee by either party on ninety (90) days or less written notice. The Board may permit the managing agent to use a Dwelling Unit as its administrative office.

**5.06 Director and Officer Liability:** Neither the directors, officers of the Association, the Trustee nor the Developer shall be personally liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors, officers, Trustee or Developer except for any acts or omissions found by a court to constitute criminal conduct, gross negligence or fraud. The Association shall indemnify and hold harmless the Trustee, the Developer, each of the directors and each of the officers, his heirs, executors or administrators, against all contractual and other liabilities to others arising out of contracts made by or other acts of the Trustee, the Developer, the directors and the officers on behalf of the Owners or the Association or arising out of their status as Trustee, Developer, directors or officers unless any such contract or act shall have been made criminally, fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil,

administrative, or other, in which the Trustee, the Developer, a director or officer may be involved by virtue of such person being or having been the Trustee, the Developer, a director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as the Trustee, the Developer, a director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is no reasonable ground for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as the Trustee, the Developer, a director or officer.

## ARTICLE SIX

### Insurance/Condemnation

6.01 **Fire Insurance:** The Board shall have the authority to and shall obtain insurance for the Condominium Property against loss or damage by fire and such other hazards as may be required under the Act or as the Board may deem desirable, for the full insurable replacement cost of the Common Elements and the Dwelling Units. Premiums for such insurance shall be Common Expenses. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the Board as trustee for each of the Owners in accordance with their Undivided Interests. All such policies of insurance (i) shall contain standard mortgage clause endorsements in favor of the First Mortgagees as their respective interests may appear, (ii) shall provide that the insurance, as to the interests of the Board, shall not be invalidated or suspended by any act or neglect of any Owner, (iii) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement thereof, such option shall not be exercisable if the Owners elect to sell the Condominium Property or remove the Condominium Property from the provisions of the Act, (iv) to the extent possible, shall provide that such policy shall not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days written notice to the First Mortgagee of

each Unit Ownership, and (v) shall contain waivers of subrogation with respect to the Association, its directors, officers, employees and agents (including the managing agent), Owners, occupants of the Dwelling Unit, First Mortgagees, the Trustee and the Developer or alternatively, all such parties shall be named as additional insured

**6.02 Insurance Trustee/Use of Proceeds:** The Board may engage the services of any bank or trust company authorized to do trust business in Illinois to act as trustee, agent or depositary on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of the Act and this Declaration. The fees of such corporate trustee shall be Common Expenses. In the event of any loss in excess of \$50,000.00 in the aggregate, the Board shall engage a corporate trustee as aforesaid, or in the event of any loss resulting in the destruction of the major portion of one or more Dwelling Units, the Board shall engage a corporate trustee as aforesaid upon the written demand of the mortgagee or Owner of any Dwelling Unit so destroyed. The rights of First Mortgagees under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions of the Act and this Declaration with respect to the application of insurance proceeds to the repair or reconstruction of the Dwelling Units or Common Elements. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of a release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

**6.03 Other Insurance:** The Board shall also have the authority to and shall obtain the following insurance:

(a) Insurance on the Condominium Property against all loss or damage from explosion of boilers, heating apparatus, pressure vessels and pressure pipes installed in, on or about said Condominium Property, in such amounts as the Board shall

deem desirable, but in no event less than the full replacement value of said Condominium Property.

(b) Comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or by any Owner occurring in, on or about the Condominium Property or upon, in or about the streets and passageways and other areas adjoining the Condominium Property, in such amounts as the Board shall deem desirable (but not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence).

(c) Such workmen's compensation insurance as may be necessary to comply with applicable laws.

(d) Employer's liability insurance in such amount as the Board shall deem desirable.

(e) Directors and Officers liability insurance in such amounts as the Board shall deem desirable (but not less than \$1,000,000 covering all claims arising out of a single occurrence). Such insurance shall insure both prior directors and officers and present directors and officers and shall delete any provisions therein concerning participation by present or former directors and officers regarding any payments or claims thereunder.

(f) Fiduciary Insurance or fidelity bond in such amount as the Board shall deem desirable as required by the Act, or the applicable requirements of the Federal National Mortgage Association.

(g) Such other insurance in such reasonable amounts as is required under the Act or the Board shall deem desirable. Such insurance coverage shall include cross liability claims of one or more insured parties against other insured parties. To the extent possible, all of such policies shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to the Association and First Mortgagees who specifically request such notice. The premiums for such insurance shall be Common Expenses.

**6.04 Owner's Responsibility:** Each Owner shall obtain his

own insurance on the contents of his own Dwelling Unit and furnishings and personal property therein, and his personal property stored elsewhere on the Condominium Property, and his personal liability to the extent not covered by the liability insurance for all of the Owners obtained as part of the Common Expenses as above provided, and the Board shall have no obligation whatsoever to obtain any such insurance coverage on behalf of the Owners. Each Owner shall promptly report, in writing to the Board, all additions, alterations or improvements to his Dwelling Unit without prior request from the Board and shall reimburse the Board for any additional insurance premiums attributable thereto, and shall be responsible for any deficiency in any insurance loss recovery resulting from his failure to so notify the Board. The Board shall not be responsible for obtaining insurance on such additions, alterations or improvements unless and until such Owner shall make such report and request the Board in writing to obtain such insurance, and shall make arrangements satisfactory to the Board for such additional premiums; and upon the failure of such Owner so to do, the Board shall not be obligated to apply any insurance proceeds to restore the affected Dwelling Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements.

**6.05 Waiver of Subrogation:** Each Owner hereby waives and releases any and all claims which he may have against any other Owner, the Association, its directors and officers, the Trustee, the Developer, the manager and the managing agent, if any, and their respective employees and agents, for damage to the Common Elements, the Dwelling Units, or to any personal property located in the Dwelling Units or Common Elements, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance, and to the extent this release is allowed by policies for such fire or other casualty insurance.

**6.06 Repair Or Reconstruction:**

(a) In the case of damage by fire or other disaster to a portion of the Condominium Property (a "Damaged Improvement") where the insurance proceeds are sufficient to repair or reconstruct the Damaged Improvement, the proceeds shall be used to repair or reconstruct the Damaged Improvement in accordance with the Planned Unit Development Plan.

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(b) In the case of damage by fire or other disaster to a portion of the Condominium Property where the insurance proceeds are insufficient to repair or reconstruct the Damaged Improvement as provided under the Act or the Damaged Improvement cannot be reconstructed as originally designed and built because of zoning, building or other applicable laws, ordinances or regulations, the following procedure shall be followed:

(1) A meeting of the Owners shall be held not later than the first to occur of (i) the expiration of thirty (30) days after the final adjustment of the insurance claims, or (ii) the expiration of ninety (90) days after the occurrence which caused the damage.

(2) At the meeting, the Board shall present a plan for the repair or reconstruction of the Damaged Improvement and an estimate of the cost of repair or reconstruction, together with an estimate of the amount thereof which must be raised by way of special assessment and a proposed schedule for the collection of a special assessment to pay the excess cost.

(3) A vote shall then be taken on the question of whether or not the Damaged Improvement shall be repaired or reconstructed based on the information provided by the Board under (2) above, including the proposed special assessment. The Damaged Improvement shall be repaired or reconstructed and the proposed special assessment shall be levied only upon the affirmative vote of Voting Members representing at least three-fourths (3/4) of the votes cast.

(4) If the Voting Members do not vote to repair or reconstruct the Damaged Improvement at the meeting provided for in (3) above, then the Board may, at its discretion, call another meeting or meetings of the Owners to reconsider the question of whether or not the Damaged Improvement shall be repaired or reconstructed. If the Voting Members do not vote to repair or reconstruct the Damaged Improvement within 180 days after the occurrence which caused the damage, then the Board may (but shall not be obligated to) in its discretion Record a notice as permitted under the Act.

(5) If (i) the Voting Members do not vote to repair or reconstruct the Damaged Improvement under Subsection (4) above, (ii) the Damaged Improvement is part of a building

which contains Dwelling Units and (iii) the Board does not Record a notice as permitted under the Act, then the Board may, with the consent of Owners representing 75% of the Undivided Interests of Dwelling Units in the building and 75% of the First Mortgagees of Dwelling Units in the building, amend this Declaration to withdraw the building which includes the Damaged Improvement from the condominium as permitted under the Act. The amendment shall provide for the reallocation of Undivided Interests as provided in the Act. If a building is withdrawn from the condominium, then the amendment shall provide that the portion of the Condominium Property which is so withdrawn shall be owned by the Owners of Dwelling Units in such withdrawn portion as tenants-in-common with each Owner's interest being determined by dividing the aggregate Undivided Interests allocated to all of the Dwelling Units in such withdrawn portion into the Undivided Interests of the Owner's Dwelling Unit in the withdrawn portion. The amendment shall also reallocate the Undivided Interests of the remaining Dwelling Units as provided in the Act. The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Owner shall be made to such Owner and his First Mortgagee as their interests may appear, on an equitable basis, determined by the Board, as provided in the Act.

(c) If the building is repaired or reconstructed, it shall be done in a workmanlike manner and the building, as repaired or reconstructed, shall be substantially similar in design and construction to the building as originally constructed, with any variations or modifications required to comply with applicable law

(d) If the building is not repaired or reconstructed, then the damaged portion of the building shall be razed, or secured and otherwise maintained in conformance with the rules or standards adopted from time to time by the Board.

**6.07 Condemnation:** In the case of a taking or condemnation by competent authority of any part of the Condominium Property, the Association shall, if necessary, restore the improvements in the remaining portion of the Condominium Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed prior to the taking or condemnation. Any proceeds or awards made to the Association in connection with any such taking or

condemnation shall be applied first to the cost of any restoration and any remaining portion of such proceeds or awards shall be in the discretion of the Board either (i) applied to pay the Common Expenses or (ii) distributed to the remaining Owners and their respective First Mortgagees, as their interests may appear, based on their current Undivided Interests. In the event that part of all of one or more Dwelling Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Declaration and the Act and the court which has jurisdiction of the action shall adjust the Undivided Interests of the remaining Dwelling Units in a just and equitable manner and as provided under the Act, and if the court fails to make such adjustment, such adjustment may be made by the Board. The President and Secretary of the Association shall execute and Record an instrument on behalf of the Association as required by the Act which amends this Declaration, effective as of the effective date of the taking or condemnation, to reflect the removal of property and adjustments, if any, in the Undivided Interests as a result of an occurrence covered by this Section. From and after the effective date of the amendment referred to in the preceding sentence, the Owner of a Dwelling Unit which is removed in part or in whole from the provisions of this Declaration shall only be liable for the payment of assessments based on the Undivided Interest, if any, allocated to the Dwelling Unit in the amendment.

## ARTICLE SEVEN

### Remedies for Breach or Violation

**7.01 Self-Help Board:** In the event of a violation by an Owner of the provisions, covenants or restrictions of the Act, the Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, the Board, upon not less than ten (10) days prior written notice, shall have the right to enter upon that part of the Condominium Property where the violation or breach exists and summarily abate, remove or do whatever else may be necessary to correct such violation or breach, provided, however, that where the violation or breach involves an improvement located within the boundaries of a Dwelling Unit, judicial proceedings shall be instituted before any items of construction



can be altered or demolished. Any and all expenses in connection with the exercise of the right provided by this section shall be charged to and assessed against the violating Owner.

**7.02 Involuntary Sale:** If any Owner (either by his own conduct or by the conduct of any other occupant of his Dwelling Unit) shall violate any of the covenants or restrictions or provisions of this Declaration, the By-Laws, or the rules or regulations adopted by the Board, and such violations shall not be cured within thirty (30) days after notice in writing from the Board, or shall reoccur more than once thereafter, then the Board shall have the power to issue to said defaulting Owner a 10-day notice in writing to terminate the rights of said defaulting Owner to continue as an Owner and to continue to occupy, use or control his Dwelling Unit, and thereupon an action may be filed by the Board against said defaulting Owner for a decree declaring the termination of said defaulting Owner's right to occupy, use or control the Dwelling Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Owner in the Condominium Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the defaulting Owner from requiring his interest at the judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Owner in the decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the defaulting Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Dwelling Unit and to immediate possession of the Dwelling Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the Dwelling Unit so purchased subject to this Declaration.

**7.03 Forcible Detainer:** In the event that an Owner is delinquent in payment of his proportionate share of the Common Expenses or any other charges or payments required to be paid by the Owner hereunder, the Board shall have the right to take possession of the Owner's Dwelling Unit and to maintain for the

benefit of all other Owners an action for possession in the manner prescribed by " The Code of Civil Procedure" (735 ILCS 5/9-101 et seq.) as provided in the Act.

**7.04 Other Remedies Of The Board:** In addition to or in conjunction with the remedies set forth above, in the event of a violation by an Owner of the Act, this Declaration, the By-Laws, or rules and regulations of the Board, the Board or its agents shall have the right to bring an action at law or in equity against the Owner and/or others as permitted by law including, without limitation, (i) to foreclose a lien against the Unit Ownership, (ii) for damages, injunctive relief, or specific performance, (iii) for judgment or for the payment of money and the collection thereof, (iv) for any combination of the remedies set forth in this Article, or (v) for any other relief which the Board may deem necessary or appropriate. Any and all rights and remedies provided for in this Article may be exercised at any time and from time to time cumulatively or otherwise by the Board in its discretion. The failure of the Board to enforce any provisions of this Declaration, the By-Laws or rules and regulations of the Board shall in no event be deemed a waiver of the right to do so thereafter.

**7.05 Costs and Expenses:** All expenses incurred by the Board in connection with the actions, proceedings or self-help in connection with the exercise of its rights and remedies under this Article, including without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest legal contract rate of interest then permitted in Illinois until paid, shall be charged to and assessed against the defaulting Owner, and the Association shall have a lien for all the same upon his Unit ownership, as provided in Section 3.01.

**7.06 Enforcement by Owners:** Enforcement of the provisions contained in this Declaration and the rules and regulations adopted hereunder may be by any proceeding at law or in equity by any aggrieved Owner against any person or persons violating or attempting to violate any such provisions, either to restrain such violation or to recover damages, and against a Unit Ownership to enforce any lien created hereunder.

### Annexing Additional Property

8.01 **In General:** Trustee and Developer reserve the right, from time to time prior to five (5) years from the date of Recording of this Declaration, to add portions of the Undeveloped Area to the Condominium Property and submit such portions to the Act by Recording an Amendment to this Declaration, as hereinafter provided. For the purposes of this Article, any portion of the Undeveloped Area which is made subject to the Act as part of the Condominium Property by an Amendment to the Declaration shall be referred to as "Added Property," and any Dwelling Units in the Added Property shall be referred to as "Added Dwelling Units." In making Added Property part of the Condominium Property and subject to the Act, the following shall apply:

(a) A drawing showing the proposed development plan as of the date of the Recording of this Declaration is attached hereto as Exhibit "F", for informational purposes only. The development plan may be changed by the Developer at any time or from time to time without notice and the Developer may amend or supersede Exhibit "F" to reflect any such change by Recording a Special Amendment as provided in Section 9.01.

(b) Any buildings built on Added Property shall be substantially similar in design and construction to the buildings which are currently located on the Development Area.

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

(d) The maximum number of Dwelling Units which may be made part of the Condominium Property is 86.

(e) Any Added Dwelling Units which are made part of the Condominium Property pursuant to this Article Eight shall be compatible with or of substantially the same style, floor plan, size and quality as the condominium units currently located on the Development Area.

8.02 **Power to Amend:** In furtherance of the foregoing, Developer reserves the right to Record an Amendment to the

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Declaration, at any time and from time to time prior to five (5) years from the date of Recording of the Declaration, which amends Exhibits "B", "C", and "D" hereto, subject to the following limitations:

(a) Exhibit "B" may only be amended to add portions of the Development area to Exhibit "B".

(b) Exhibit "C" may only be amended so that the Plats which make up Exhibit "C" describe all of the Condominium Property, including the Added Property, and identify every Dwelling Unit, including the Added Dwelling Units, as provided by the Act.

(c) Exhibit "D" may only be amended to reflect the addition of the Added Dwelling Units, to assign to each Added Dwelling Unit an Undivided Interest, and to reassign an Undivided Interest to each Dwelling Unit shown on Exhibit "D" immediately prior to the Recording of such Amendment to the Declaration. Fourteen (14) types of Dwelling Units shall be made part of the Condominium Property. Following is a list of the number of points which shall be allocated to each type of Dwelling Unit for the purpose of determining the Undivided Interests allocable to each Dwelling Unit. The points reflect the relative values of the types, as required under the Act. The Undivided Interest of each Dwelling Unit shall be determined by dividing the total number of points of all Dwelling Units into the number of points allocated to the Dwelling Unit in question.

<u>SLAB</u>		<u>BASEMENT</u>	
<u>Type</u>	<u>Points</u>	<u>Type</u>	<u>Points</u>
A	1330	A	1503
B	1371	B	1549
B-End	1439	B-End	1626
C	1441	C	1628
C-End	1513	C-End	1710
D	1569	D	1773
E	1756	E	1984
F	1636	F	1849

If any Added Property contains models of Dwelling Units which are not listed or mentioned above, then the Supplemental Declaration shall allocate to each different model that number of

points which reflects the relative value of the model as compared to the models listed above, as required under the Act.

**8.03 Effect of Amendment:** Upon the Recording of an Amendment to the Declaration by Developer and/or Trustee which makes Added Property part of the Condominium Property, as provided in this Article, then:

(a) The restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges set forth and described herein shall run with and bind the Added Property (including Added Dwelling Units) and inure to the benefit of and be the personal obligation of the Owners of Added Dwelling Units in the same manner, to the same extent, and with the same force and effect that this Declaration applies to the Condominium Property and Owners of Dwelling Units which were initially made part of the Condominium Property;

(b) Every Person who is an Owner of an Added Dwelling Unit shall be a member of the Association on the same terms and subject to the same qualifications and limitations as those members who are Owners of Dwelling Units;

(c) Each Owner of an Added Dwelling Unit shall pay the same monthly assessments as the Owner of an existing Dwelling Unit of the same type; provided, that, the Owner of an Added Dwelling Unit shall not be required to pay any installment of a special assessment levied to cover a deficit under a prior year's budget;

(d) The amount of the lien for assessments, charges or payments levied against an existing Unit Ownership prior to the Recording of the Amendment to the Declaration shall not be affected by the Recording of the Amendment to the Declaration.

## ARTICLE NINE

### Amendments

**9.01 Special Amendment:** Developer and/or Trustee reserves the right and power to Record a special amendment ("Special Amendment") to this Declaration at any time and from time to time

which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Department of Veteran's Affairs, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Act, (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any amendment thereto, or (v) to modify Exhibit "F" to reflect a change in the development plan. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer and/or Trustee to vote in favor of, make, or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Developer and/or Trustee to vote in favor of, make, execute and Record Special Amendments. The right of the Developer and Trustee to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Trustee or Developer no longer holds or controls title to a Dwelling Unit.

**9.02 Amendment by Owners:** Except in the case of errors or omissions as provided in Section 9.03 and subject to the provisions of Article Eight, Section 9.01, and Article Ten, and except as otherwise provided in Sections 6.06 and 6.07 and the Act, the provisions of this Declaration may be amended, modified, enlarged or otherwise changed in whole or in part by the affirmative vote of Voting Members (either in person or by proxy) representing at least 75% of the votes cast or by an instrument executed by Owners of Unit Ownerships with an aggregate Undivided Interest of at least 75%; except that (i) the provisions relating to the rights of Developer or Trustee may be amended only upon the written consent of the Developer, (ii) the provisions of Article Ten, Section 9.01, or any other provisions which specifically grants rights to the First Mortgagees and (iii) the provisions of this Section may be amended only with the written

consent of all Owners and all First Mortgagees. No amendment shall become effective until Recorded.

**9.03 Amendment to Correct Error or Omission:** Subject to the provisions of Article Ten, an error or omission in this Declaration may be corrected by the Association in the following manner:

(a) An amendment to correct the error or omission may be approved by the affirmative vote of at least 2/3 of the Board or by the affirmative vote of a majority of the Voting Members at a meeting called for this purpose.

(b) In the event that the amendment to correct the error or omission is approved by the affirmative vote of 2/3 of the Board as provided in Paragraph 9.03(a) above, then upon the filing of a written petition with the Board signed by at least 20% of the Voting Members, a special meeting of the Owners shall be held within 30 days of the filing of the petition to consider the action of the Board. Unless a majority of the votes are cast by the Voting Members at the meeting to reject the action of the Board, it is ratified whether or not a quorum is present.

(c) The procedures for amendments to correct errors or omissions set forth in this Section 9.03 can be used only if such amendment does not materially or adversely affect the property rights of the Unit Owners. If said amendment does materially or adversely affect the property rights of the Unit Owners, then these procedures may be used only with the written consent of all of the affected Unit Owners.

**9.04 Limitation on Amendments:** Any addition, amendment or termination of any covenant or restriction shall not be permitted if the result would in any manner diminish the function of the Declaration with respect to the use and maintenance of the Storm water Management Facility and other Common Open Space areas unless otherwise approved by the County.

## ARTICLE TEN

### First Mortgagees' Rights

**10.1 First Mortgagee's Consent:** In addition to any requirements provided for elsewhere in this Declaration, the prior written approval of the Eligible Mortgagees holding, in the aggregate, First Mortgages on at least 67% of the Unit Ownerships which are subject to First Mortgages held by Eligible Mortgagees will be required for the Condominium Association to do or permit to be done any of the following:

(a) Adoption of an amendment to this Declaration which changes or adds to provisions of the Declaration relating to (i) voting rights; (ii) assessments, assessment liens or the priority of assessment liens; (iii) reductions in reserves for maintenance, repair, and replacement of Common Elements; (iv) responsibility for maintenance and repairs; (v) reallocation of interests in the general or limited common elements, or rights to their use; (vi) redefinition of any Unit boundaries; (vii) convertibility of units into common elements or vice versa; (viii) hazard or fidelity insurance requirements; (ix) imposition of any restrictions on the leasing of units; (x) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Dwelling Unit; (xi) a decision by the Condominium Association to establish self-management when professional management had been required under this Declaration or by an Eligible Mortgagee;

(b) The abandonment or termination of the condominium;

(c) The abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Elements, except for the dedication of, or the granting of easements over and through portions of the Common Elements for public utilities or other public purposes consistent with the intended use of the Condominium Property;

(d) The sale of the Condominium Property;.

(e) The removal of a portion of the Condominium Property from the provisions of the Act or this Declaration; or

(g) The use of hazard insurance proceeds for losses to the Condominium Property (whether to Dwelling Units or to the Common Elements) for other than the repair, replacement or reconstruction of such Dwelling Units or Common Elements; provided, that, such consent of First Mortgagees will not be



required with respect to any action under (a) through (e) above which occurs as a result of (i) substantial damage due to fire or other casualty (including, without limitation, action taken pursuant to Section 6.06); (ii) a taking of a portion or all of the Condominium Property by condemnation or eminent domain (including, without limitation, action taken pursuant to Section 6.07); or (iii) changes in the Undivided Interests as permitted under Article Eight.

(h) Whenever required, the consent of an Eligible Mortgagee shall be deemed granted unless the party seeking the consent is advised to the contrary in writing by the Eligible Mortgagee within thirty (30) days after the Eligible Mortgagee receives the request for consent by Registered or Certified Mail, Return Receipt Requested.

**10.02 Notice to First Mortgagees:** Each Owner shall notify the Association of the name and address of his First Mortgagee and the Association shall maintain a record of such information with respect to all Dwelling Units in a book entitled "Mortgagees of Units." Each First Mortgagee shall have the right to examine the books and records of the Association at any reasonable time. Upon the specific written request of a First Mortgagee to the Board, the First Mortgagee shall receive some or all of the following as designated in the request:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owner of a Dwelling Unit covered by the First Mortgagee's mortgage;

(b) Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Owners;

(c) Copies of notices of meetings of the Owners and the right to be represented at any such meetings by a designated representative;

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

(e) Notice of substantial damage to or destruction of

any Dwelling Unit (in excess of \$1,000) or any part of the Common Elements (in excess of \$10,000);

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

(g) Notice of any default of the Owner of the Dwelling Unit which is subject to the First Mortgagee's mortgage, where such default is not cured by the Owner within 30 days after the giving of notice by the Association to the Owner of the existence of the default.

The request of a First Mortgagee shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association. Failure of the Association to provide any of the foregoing to a First Mortgagee who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Association need not inquire into the validity of any request made by a First Mortgagee hereunder and in the event of multiple requests from purported First Mortgagees of the same Unit Ownership, the Association shall honor the most recent request received.

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

**10.04 Administrator Approvals:** Anything herein to the

contrary notwithstanding, whenever this Declaration or the By-laws provide for the approval or consent of the Administrator, such approval or consent shall not be required unless the Administrator (a) has issued its condominium project approval of the Condominium Property and such project approval has not terminated, (b) has issued a guarantee of the First Mortgage on at least one Dwelling Unit which guarantee is then outstanding, (c) is the owner or holder of a First Mortgage on a Dwelling Unit or (d) is the Owner of a Dwelling Unit. Whenever required, such approval or consent shall be deemed granted unless the party seeking the consent or approval is advised to the contrary in writing within thirty (30) days of making the request for consent or approval.

## ARTICLE ELEVEN

### Developer's Reserved Rights

**11.01 In General:** In addition to any rights or powers reserved or granted to the Developer under the Act, this Declaration or the By-Laws, the Developer shall have the rights and powers set forth in this Article. In the event of a conflict between the provisions of this Article and any other provisions of this Declaration or the By-Laws, the provisions of this Article shall govern. Except as otherwise provided in this Article, Developer's rights under this Article shall terminate at such time as the Trustee or the Developer is no longer vested with or controls title to any portion of the Condominium Parcel.

**11.02 Sales Efforts:** Developer shall have the right, in its discretion, to maintain on the Condominium Property model Dwelling Units, sales, management, and/or administrative offices (which may be located in a Dwelling Unit), displays, signs and other forms of advertising and, to the extent not prohibited by law, to come upon any portion of the Condominium Property for the purpose of showing the Condominium Property to prospective purchasers or lessees of Dwelling Units, all without the payment of any fee or charge whatsoever other than the assessments payable by the Developer or Trustee with respect to Dwelling Units owned by either of them. The Developer shall have a non-exclusive access easement over and across the roads and walkways located on the Condominium Property for ingress and egress to and from the Undeveloped Area in order to exercise the rights

reserved under this Section and Section 11.03 below.

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

**11.04 Initial Management Agreement:** The Developer shall have the right to cause the Association to enter into a management agreement appointing a managing agent for the Association. The agreement shall be for an initial term of two (2) years from the date of Recording of this Declaration, shall be renewable by agreement of the parties for successive one year periods, and shall be terminable by the Association with or without cause upon 90 days written notice.

**11.05 Control of Board:** Until the initial meeting of the Owners (which shall occur no later than 60 days after the Turnover Date) and the election of the initial Board as provided for in the By-Laws, the rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the Board by the Act, this Declaration or the By-Laws shall be held and performed by the Developer. The Developer may hold and perform such rights and obligations through the Board which, prior to the initial meeting, shall consist of three individuals designated by the Developer from time to time.

## ARTICLE TWELVE

### Miscellaneous

**12.01 Severability:** Invalidation of all or any portion of any of the easements, restrictions, covenants, conditions and reservations, by legislation, judgment or court order shall not affect liens, charges, rights, benefits and privileges and other provisions of this Declaration which shall remain in full force and effect.

**12.02 Notice:** Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have

been properly sent when mailed, postage prepaid, to the last known address of such Owner as it appears on the records of the Association at the time of such mailing, or upon personal delivery to the Owner's Dwelling Unit.

**12.03 Captions/Conflicts:** The Article and Section headings are intended for convenience only and shall not be construed with any substantive effect in this Declaration. In the event of any conflict between the statements made in the recitals to this Declaration and the provisions contained in the body of this Declaration, the provisions contained in the body of this Declaration shall govern.

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

**12.05 Title Holding Land Trust:** In the event title to any Unit Ownership is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Dwelling Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all assessments, charges or payments hereunder and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit Ownership. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Unit Ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Unit Ownership.

**12.06 Assignment by Developer or Trustee:** All rights which are specified in this Declaration to be rights of the Developer

## EXCULPATORY RIDER

This instrument is executed by the Harris Bank Palatine, N.A. as Trustee under the provisions of a Trust Agreement dated 1/19/96, and known as Trust no. 6646, not personally, but solely as Trustee aforesaid, the exercise of the power and authority conferred upon and vested in it as such Trustee. This instrument is executed and delivered by the Trust solely in the exercise of the powers expressly conferred upon the Trustee under the Trust and upon the written direction of the beneficiaries and/or holders of the power of direction of said Trust and Harris Bank Palatine, N.A. warrants that it possesses full power and authority to execute this instrument. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the trustee while in form purporting to be the separate representations, warranties, covenants, undertakings and agreements of said Trustee are each and every one of them not made with the intention of binding Harris Bank Palatine, N.A. in its individual capacity, but are made and intended solely for the purpose of binding only that portion of the Trust property specifically described herein. No personal liability or personal responsibility is assumed by or nor shall at any time be asserted or enforceable against the Harris Bank Palatine, N.A. on account of any representations, Warranties, (including but not limited to any representations and/or warranties in regards to potential and/or existant Hazardous Waste) covenants, undertakings and agreements contained in the instrument, (including but not limited to any indebtedness accruing plus interest hereunder) either express or implied or arising in any way out of this transaction in connection with which this instrument is executed, all such personal liability or responsibility, if any, being expressly waived and released, and any liability (including any and all liability for any violation under the Federal and/or State Environmental or Hazardous Waste laws) hereunder being specifically limited to the Trust assets, if any, securing this instrument. Any provision of this instrument referring to a right of any person to be indemnified or held harmless, or reimbursed by the Trustee for any costs, claims, losses, fines, penalties, damages, costs of any nature including attorney's fees and expenses arising in any way out of the execution of this instrument or in connection thereto are expressly waived and released by the parties to and parties claiming, under this instrument. Any person claiming or any provision of this instrument referring to a right to be held harmless, indemnified or reimbursed for any and all costs, losses and expenses of any nature, in connection with the execution of this instrument, shall be construed as only a right of redemption out of the assets of the Trust. Notwithstanding anything in this instrument contained, in the event of any conflict between the body of this exoneration and the body of this instrument, the provisions of this paragraph shall control. Trustee being fully exempted, nothing herein contained shall limit the right of any party to enforce the personal liability of any other party to this instrument.

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or Trustee are assignable or transferable. Any successor to, or assignee of, the rights of the Developer or Trustee hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of Developer or Trustee hereunder as fully as if named as such party herein. No party exercising rights as Developer or Trustee 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 Trustee has caused this instrument to be executed.

Dated: July 30, 1997

Harris Bank Palatine, N.A., not personally, but solely as Trustee under Trust Agreement dated January 19, 1996, and known as Trust No. 6646.

By: *Donna M. Kerins*  
~~Vice President~~  
Donna M. Kerins, Land Trust Officer

Attest: *Penelope M. Johns*  
Secretary  
Penelope M. Johns, AVP & LTO



Exoneration provision restricting any liability of Harris Bank Palatine, N.A., as trustee, either affixed on this or on the reverse side hereof or attached hereto, is expressly made a part hereof.

SEE RIDER ATTACHED

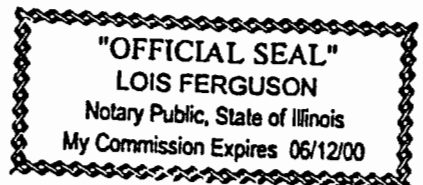
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK )

I, LOIS FERGUSON, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Donna M. Kerins, Land Trust Officer, Vice President of Harris Bank PAKATIN and Penelope M. Johns, Asst. Vice President & LTO, Secretary thereof, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and ALA LTO Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said LTO Secretary did also then and there acknowledge that he/she, as custodian of the corporate seal of said Bank did affix the said corporate seal of said Bank to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 30th day of July 1996. 1997.

Lois Ferguson
Notary Public

My commission expires: 6-12-00







the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 11<sup>th</sup> day of August, 1998.

*Joan Crawford*

Notary Public

My commission expires: 2/16/99



**EXHIBIT A TO**  
**DECLARATION OF CONDOMINIUM OWNERSHIP FOR**  
**TANNERON BAY TOWNHOMES CONDOMINIUM**  
**DEVELOPMENT AREA**

ALL THAT PART OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 45 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED BY A LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF SAID HALF QUARTER SECTION WHICH IS 715 FEET WEST OF THE NORTHEAST CORNER THEREOF; THENCE SOUTH ALONG A LINE PARALLEL TO THE EAST LINE OF SAID HALF QUARTER SECTION, TO ITS INTERSECTION WITH THE NORTH LINE OF GEORGE ROSING'S WOOSTER LAKE SUBDIVISION; THENCE WESTERLY AND SOUTHWESTERLY ALONG THE NORTHERLY AND NORTHWESTERLY LINE OF SAID SUBDIVISION TO A POINT IN WOOSTER LAKE, 50 FEET BELOW LOW WATER MARK (SAID POINT BEING THE MOST WESTERLY CORNER OF GEORGE ROSING'S WOOSTER LAKE SUBDIVISION); THENCE WEST PARALLEL TO THE NORTH LINE OF AFORESAID HALF QUARTER SECTION TO A POINT WHICH IS 125 FEET EAST OF THE WEST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE NORTH PARALLEL TO AND 125.0 FEET EAST OF SAID WEST LINE TO THE NORTH LINE OF SAID HALF QUARTER SECTION; THENCE EAST ALONG THE NORTH LINE OF SAID HALF QUARTER SECTION TO THE POINT OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

P.I.N. 05-23-200-016

**EXHIBIT B TO**  
**DECLARATION OF CONDOMINIUM OWNERSHIP FOR**  
**TANNERON BAY TOWNHOMES CONDOMINIUM**

**CONDOMINIUM PROPERTY**

Outlot A, Outlot B, Outlot C and Lot 12, inclusive, in Tanneron Bay, being a subdivision of part of the South Half of the Northeast Quarter of Section 23, Township 45 North,, Range 9, East of the Third Principal Meridian, according to the plat thereof recorded on November 25, 1996, as Document No. 3903841, in Lake County, Illinois.

EXHIBIT D TO  
DECLARATION OF CONDOMINIUM OWNERSHIP FOR  
TANNERON BAY TOWNHOMES CONDOMINIUM

UNDIVIDED INTEREST

<u>UNIT NUMBER</u>	<u>UNIT TYPE</u>	<u>UNDIVIDED INTEREST</u>
12-1	F-SLAB	18.76577%
12-2	C-SLAB	16.52902%
12-3	B-SLAB	15.72608%
12-4	A-SLAB	15.25579%
12-5	B-SLAB	15.72608%
12-6	D-SLAB	17.99726%
<b>Total</b>		<b>100.00000%</b>

EXHIBIT E TO

DECLARATION OF CONDOMINIUM OWNERSHIP FOR  
TANNERON BAY TOWNHOMES CONDOMINIUM

THE BY-LAWS OF  
TANNERON BAY TOWNHOMES  
CONDOMINIUM ASSOCIATION  
AN ILLINOIS NOT-FOR-PROFIT CORPORATION

ARTICLE I

Name of Corporation

The name of this corporation is TANNERON BAY TOWNHOMES  
CONDOMINIUM ASSOCIATION.

ARTICLE II

Purpose and Powers

2.01 Purposes: The purposes of this Association are to act on behalf of its members collectively, as their governing body for civic functions and other purposes, with respect to the preservation, care, maintenance, replacement, improvement, enhancement, operation and administration of both real and personal property and for the promotion of the health, safety and welfare of the members of the Association, all on a not-for-profit basis. These By-Laws are attached as Exhibit E to the Declaration of Condominium Ownership for Tanneron Bay Townhomes Condominium ("Declaration"). All terms used herein have the

meanings set forth in the Declaration.

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

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

### ARTICLE III

#### Offices

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

3.02 Principal Office: The Association's principal office shall be maintained on the Condominium Parcel, or such other convenient location as the Board may from time to time determine.

### ARTICLE IV

#### Meetings of Members

4.01 Voting Rights: There shall be one individual with respect to each Dwelling Unit who shall be entitled to vote at any meeting of the Owners (the "Voting Member"). If the Owner of a Dwelling Unit is one individual then such individual shall be the Voting Member. If the Record ownership of a Dwelling Unit

shall be in more than one individual or if the Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member shall be designated by the Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners. There shall be deemed to be a majority agreement among multiple individual owners where no designation is given, if one of the multiple individual owners casts the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit. Any or all Owners may be present at any meeting of the Owners, but the voting rights shall be vested exclusively in the Voting Members; provided, however, that a Voting Member may vote either in person or by proxy executed in writing by the Voting Member or his duly authorized attorney-in-fact, bearing the date of execution of the proxy and filed with the secretary before the meeting. No proxy shall be valid after eleven (11) months from the date of its execution. Except as otherwise specifically provided in the Declaration, these By-Laws or the Act, each Voting Member shall have a vote equal to the undivided interest of the Dwelling Unit represented by him, multiplied by 100; i.e., a Voting Member who represents a Dwelling Unit which has an Undivided Interest of 1.25% shall be entitled to cast 1.25 votes. Provided, that, when 30% or fewer of the Dwelling Units by number possess over 50% of the votes, any percentage vote of members specified in the Act, the Declaration or these By-Laws shall require the specified percentage by number of Dwelling Units rather than by Undivided Interests.

4.02 Place of Meeting; Quorum: Meetings of the Owners shall be held at the principal office of this Association or at such other place in the County in which the Condominium Property is located and convenient to the Owners as may be designated in any notice of a meeting. All meetings shall be conducted in accordance with the rules and provisions set forth in Roberts Rules of Order, as from time to time published. Voting Members holding twenty-five percent (25%) of the votes, represented in person or by proxy, shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the Voting Members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted



upon by the Voting Members, unless a greater proportion is required by the Act, the Declaration or these By-Laws. The affirmative vote of 100% of the votes entitled to be cast shall be required for the following action: (a) merger or consolidation of the Association; and (b) sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the property and assets of the Association. The affirmative vote of 75% of the votes entitled to be cast shall be required for the purchase or sale of land or of Dwelling Units on behalf of all Owners.

4.03 Initial and Annual Meetings: The initial meeting of the Owners shall be held upon at least twenty-one (21) days written notice mailed or delivered by the Developer. The Developer shall provide to any unit owner within three (3) working days of the request, the names, addresses, telephone numbers (if available), and the weighted vote of each Unit Owner entitled to vote at such meeting. Any Unit Owner shall be provided with the same information within three (3) working days of the request, with respect to each subsequent meeting to elect members of the Board. If not called earlier by the Developer, the initial meeting of the Owners shall be held not more than sixty (60) days after the Turnover Date. Thereafter there shall be an annual meeting of the Owners within thirty (30) days from the anniversary date of the initial annual meeting at such time and on such date designated by the Board.

4.04 Special Meetings: Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration or these By-Laws, require the approval of all or some of the Voting Members or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by the President, a majority of the Board, or by Voting Members representing at least twenty percent (20%) of the votes.

4.05 Notice Of Membership Meetings: Written notice of any membership meeting shall be mailed or delivered, giving Owners not less than (10) nor more than thirty (30) days notice of the time, place, and purpose of the meeting.

#### ARTICLE V

## Board of Directors

5.01 In General: The affairs of the Association and the direction and administration of the Condominium Property shall be vested in the Board, which (after the Turnover Date) shall consist of five (5) persons ("Directors") or such other number of persons as shall be fixed from time to time by the affirmative vote of Voting Members representing more than 50% of the votes. The Board shall have all of the powers granted to it under the Act, the Declaration, these By-Laws and the General Not-For-Profit Corporation Act of the State of Illinois.

5.02 Developer Designated Boards: Anything herein to the contrary notwithstanding, until the first meeting of the Owners after the Turnover Date the Board shall consist of three (3) individuals from time to time designated by the Developer. Such individuals may, but need not, be Owners and shall serve at the discretion of the Developer. Prior to the Turnover Date, the Developer Designated Board shall maintain the following records and make them available for copying at convenient hours of weekdays by the Unit Owners, or their mortgagees and their duly authorized agents or attorneys:

(a) Copies of the recorded Declaration and By-Laws together with any amendments; and

(b) The Articles of Incorporation of the Association, together with annual reports and any rules and regulations adopted by the Association or the Board.

5.03 Boards After Turnover Date: At the first meeting of the Owners (which shall be held no later than sixty (60) days after the Turnover Date) the Voting Members shall elect the initial Board (as provided for in the Act) in the manner hereinafter provided to replace the Developer Designated Board established under Section 5.02. From and after such meeting, each member of the Board shall be an Owner. Within sixty (60) days after the election of a majority of the Board other than those designated by the Developer, the Developer shall deliver to the Board:

(a) All original documents as recorded or filed

pertaining to the property, its administration and the association, such as the declaration, by-laws, articles of incorporation, other condominium instruments, annual reports, minutes and rules and regulations, contracts, leases, or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the Developer, or an officer or agent of the Developer, as being a complete copy of the actual document recorded as filed;

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

(c) Association funds, which shall have been at all times segregated from any other moneys of the developer;

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

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

5.04 Election: At the initial meeting of the Owners, the Voting Members shall elect a full Board of Directors in an at-large election. Each Director shall hold office until the next annual meeting of the Owners or until his successor shall have been elected and qualified. A Director may succeed himself. In all elections for members of the Board, the Voting Member for each Dwelling Unit shall be entitled to the number of votes equal

to the number of Directors to be elected multiplied by the number of votes to which such Voting Member is entitled (and cumulative voting shall be permitted). The candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.

5.05 Annual Meetings: The Board shall hold an annual meeting within ten (10) days after the annual meeting of the Owners at such place as shall be fixed by the Directors at the annual meeting of the Owners.

5.06 Regular Meetings: Regular meetings of the Board shall be held at such time and place as shall be determined at the annual meeting, or, from time to time, by a majority of the Directors, provided that not less than four such meetings shall be held during each fiscal year.

5.07 Special Meetings: Special meetings of the Board may be called by the President or by at least one-third (1/3) of the Directors then serving.

5.08 Notice of Board Meetings: Notice of each meeting of the Board shall be mailed to each Director at least forty-eight (48) hours prior to the meeting and notice of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be given to each Owner in the same manner as provided in Section 4.05 of these By-Laws, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. Copies of notices of meetings of the Board shall be posted at least forty-eight (48) hours prior to the meeting of the Board, in one or more conspicuous places in the Condominium Property as designated by the Board.

5.09 Open Meetings: Each meeting of the Board shall be open to any Owner except for the portion of any meeting held:

(a) To discuss litigation when an action against or on behalf of the Association has been filed and is pending; or when the Board finds that such action is probable or imminent;

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

(c) To discuss violations of the rules and regulations of the Association or a unit owner's unpaid share of common expenses.

However, any vote on these matters shall be taken at a meeting or portion thereof which is open to any unit owner. If required under the Act, notice of such meeting shall be mailed at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. Copies of notices of meetings of the Board shall be posted at least forty-eight (48) hours prior to the meeting of the Board, in one or more conspicuous places in the Condominium Property as designated by the Board. Any unit owner may record the proceedings at a meeting which is required to be open by tape, film, or other means. The Board may adopt reasonable rules governing the conduct of Owners who attend meetings and Owners who do not comply with such rules may be removed from the meeting.

5.10 Quorum: A majority of the Directors serving from time to time shall constitute a quorum for the election of officers and for the transaction of business at any meeting of the Board. Except as otherwise expressly provided herein or in the Declaration, any action may be taken upon the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.

5.11 Compensation/Reimbursement for Expenses: No Director shall be compensated by the Association for services rendered to the Association, except as expressly provided in a resolution duly adopted by the Voting Members. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as a Director.

5.12 Removal Or Resignation Of Director: Any Director may be removed from office, with or without cause, by action of the Voting Members at any annual meeting or at a special meeting called for such purpose. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Any Director may resign at any time by submitting his written resignation to the Board. If a Director

ceases to be an Owner, he shall be deemed to have resigned as of the date of such cessation. A successor to fill the unexpired term of a Director who resigns or is removed may be elected by the Voting Members at any annual meeting or at any special meeting called for such purpose and any successor so elected shall serve the balance of his predecessor's term.

5.13 Powers And Duties Of The Board: The Board shall have all of the powers and duties granted to it or imposed upon it by the Act, the Declaration, these By-Laws, and the Illinois General Not-For-Profit Corporation Act, including, without limitation, the following powers and duties:

- (a) To provide for the operation, care, upkeep, maintenance, replacement and improvement of the common elements;
- (b) To prepare, adopt and distribute the annual budget for the property;
- (c) To levy assessments;
- (d) To provide for the collection of assessments from unit owners;
- (e) To employ and dismiss the personnel necessary or advisable for the maintenance and operation of the common elements;
- (f) To procure adequate and appropriate kinds of insurance as provided for in the Declaration;
- (g) To own, convey, encumber, lease and otherwise deal with units conveyed to or purchased by it;
- (h) To adopt and amend rules and regulations covering the details of the operation, and use of property, after a meeting of the unit owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations and which conforms to the requirements of Section 5.08 of these By-Laws. However, no rule or regulation 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;

(i) To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the property;

(j) To have access to each unit from time to time as may be necessary for the maintenance, repair or replacement of any common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common elements or to other unit or units.

(k) To pay real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the condominium.;

(l) To impose charges for late payments of a unit owner's proportionate share of the common expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of the Declaration, By-Laws, and rules and regulations of the Association.

(m) To assign its right to future income, including the right to receive common expenses.

(n) To record the dedication of a portion of the common elements to a public body for use as, or in connection with a street or utility when authorized as provided in the Declaration.

(o) To record the granting of an easement for the laying of cable television cable where authorized as provided in the Declaration.

(p) To seek relief on behalf of all unit owners when authorized as provided in the Act, from or in connection with the assessment or levying of real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof or of any lawful taxing or assessing body.

(q) To reasonably accommodate the needs of a handicapped unit as required by the laws of the State of Illinois in the exercise of its powers with respect to the use of common elements or approval of modifications in an individual unit.

## ARTICLE VI

### Officers

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

6.02 Vacancy Of Office: Any officer may be removed at any meeting of the Board by the affirmative vote of the majority of the Directors in office, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

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

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

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



capacity of President on an interim basis;

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

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

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

## ARTICLE VII

### Instruments, Checks, Deposits and Funds

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

7.02 Payments: All checks, drafts, vouchers or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be

signed by such officer or officers, agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

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

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

## ARTICLE VIII

### Fiscal Management.

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

8.02 Annual Statement: Within a reasonable time after the close of each fiscal year the Board shall furnish each Owner with an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the Annual Assessment budget, and showing the net excess or deficit of income over expenditures plus reserves.

## ARTICLE IX

### Records of the Association

9.01 The Board shall maintain correct and complete books and records of account including the following records of the

Association:

(a) Copies of the recorded Declaration and By-Laws together with any amendments;

(b) The Articles of Incorporation of the Association, together with annual reports, and any rules and regulations adopted by the Association or the Board;

(c) 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;

(d) Copies of all contracts, leases, or other agreements entered into by the Association;

(e) Minutes of all meetings of the Association, Board, and any Committees.

9.02 The Board shall make the records of the Association available for examination and copying by the Unit Owners or their mortgagees and then duly authorized agents and attorneys, at convenient hours of weekdays. The Association or the Board may charge a reasonable fee for the cost of copying.

ARTICLE X

Seal

The Board may provide for a corporate seal which shall be in the form of a circle and shall have inscribed thereon the names of the Association and the words "Corporate Seal, Illinois."

ARTICLE XI

Amendments

These By-Laws may be amended or modified at any time, or

from time to time in the same manner as provided in Article 9 of the Declaration; provided that (i) Section 5.02 of these By-Laws or any other provisions relating to the rights of the Developer shall not be amended without the written consent of the Developer, (ii) no provision which specifically grants rights to First Mortgagees shall be amended without the written consent of all First Mortgagees, and (iii) no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration or the Act. These By-Laws may also be amended by the Developer for the purposes and by the procedure set forth in Section 9.01 of the Declaration. No amendment to these By-Laws shall become effective until Recorded, and shall be deemed effective upon recordation unless the amendment sets forth a different effective date.

THIS INSTRUMENT PREPARED BY AND  
AFTER RECORDING RETURN TO:

MARK D. PEARLSTEIN  
LEVENFELD PEARLSTEIN  
33 WEST MONROE STREET  
SUITE 2100  
CHICAGO, ILLINOIS 60603

COPY

4892408

LAKE COUNTY, IL RECORDER  
03/29/2002

(This Space for Recorder's Use Only)

**FOURTEENTH AMENDMENT  
TO THE DECLARATION OF  
CONDOMINIUM OWNERSHIP FOR  
TANNERON BAY TOWNHOMES CONDOMINIUM**

This Fourteenth Amendment to the Declaration of Condominium Ownership For Tanneron Bay Townhomes Condominium (the "Declaration") made and entered into this 6 day of DECEMBER, 2001, by the Board of Directors of the Tanneron Bay Townhomes Condominium Association (the "Board").

WITNESSETH:

The Board administers the condominium property located in the City of Ingleside, County of Lake, State of Illinois, legally described on Exhibit A attached to and made a part of this Amendment. The Declaration was recorded in the Lake County Recorder's Office on August 13, 1997 as Document No. 4005686.

The Board and the Unit Owners desire to amend Article Two, Section 2.07 of the Declaration to maintain the Association as a residential condominium by prohibiting, after December 31, 2003 (the "Effective Date"), the leasing of units to others as a regular practice for business, speculative, or other similar purposes; but to permit leases only during the period of probate administration; leases to members of the immediate family of the Owner; and leases by the Association to collect delinquent assessments and legal expenses.

Article Nine, Section 9.02 of the Declaration requires that (i) the provisions of the Declaration may be amended by a written instrument; (ii) approved by the affirmative vote of Voting Members representing at least seventy-five percent (75%) of the votes cast at a meeting or executed by at least seventy-five percent (75%) of the Voting Members; and (iii) that the instrument setting forth such amendment be recorded; and

The amendments set forth below have been approved by the requisite Voting Member of at least seventy-five percent (75%) as certified on Exhibit B attached to this Amendment.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Article Two, Section 2.07, is hereby amended by deleting said paragraph in its entirety, and substituting in its place and stead, the following:

"2.07 Lease of Dwelling Unit

(a) It is the intent of this Fourteenth Amendment that after December 31, 2003 (the "Effective Date"), all owners or contract purchasers of Units in the Association shall occupy and use such Unit as a private dwelling for his or her immediate family, and for no other purpose, including business purposes. The "immediate family" of a Unit Owner or contract purchaser shall mean a spouse, child, stepchild, sibling or parent. Accordingly, after the Effective Date, the leasing of Units to others as a regular practice for business, speculative or investment purposes, is not permissible, except for the following:

- (1) Leasing to tenants under a current lease on the Effective Date;
- (2) Leases of Units for the period of probate administration not exceeding eighteen (18) months from the death of the Owner;
- (3) Leases to "immediate family members" as defined above;
- (4) Leases by the Board of Directors to collect a judgment for delinquent assessments, legal fees, and costs under the Illinois Code of Civil Procedure.

IN WITNESS WHEREOF, the Board (and Approving Unit Owners) have duly executed this Amendment on the day and year first above written.

BOARD OF DIRECTORS OF THE  
TANNERON BAY TOWNHOME  
CONDOMINIUM ASSOCIATION

Peter A. Dziadus, Jr.  
William E. Brown  
John C. Galt  
Genny L. Cummings  
James H. Logan

APPROVING UNIT OWNERS

By: Peter A. Dziadus, Jr.  
President, Tanneron Bay Townhome  
Condominium Association,  
Their Attorney-In-Fact

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Paul Krieg, a Notary Public in and for the County of Lake and State of Illinois aforesaid, DO HEREBY CERTIFY that Peter Dziadus, Jr., James Stelmasek, Norm Brunner, Penny Cummings and James Cogar, personally known to me to be the same persons whose names are subscribed to the foregoing Fourteenth Amendment to the Declaration of Condominium Ownership for Tanneron Bay Townhome Condominium, as the Board of Directors of the Tanneron Bay Townhome Condominium, appeared before me this day in person and acknowledged that they signed and delivered the said Amendment as their free and voluntary act and as the free and voluntary act of the Tanneron Bay Townhome Condominium Association for the uses and purposes set forth therein.

Given under my hand and notarial seal this 6<sup>th</sup> day of December, 2001.



[Signature]  
NOTARY PUBLIC

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Paul Krieg, a Notary Public in and for the County of Lake and State of Illinois, aforesaid, DO HEREBY CERTIFY that Peter Dziadus, Jr., whose name is subscribed to the foregoing instrument as attorney-in-fact of the Approving Unit Owners, appeared before me this day in person and acknowledged that (s)he signed and delivered the said Fourteenth Amendment to the Declaration of Condominium Ownership for Tanneron Bay Townhome Condominium, as his/her own free and voluntary act as attorney-in-fact of the Approving Unit Owners consisting of Voting Members having more than three-fourths (3/4) of the votes for the uses and purposes therein set forth.

Given under my hand and notarial seal this 6<sup>th</sup> day of December, 2001.



[Signature]  
NOTARY PUBLIC



EXHIBIT A TO  
FOURTEENTH AMENDMENT TO  
DECLARATION OF CONDOMINIUM OWNERSHIP FOR  
TANNERON BAY TOWNHOMES CONDOMINIUM

(LEGAL DESCRIPTION)

Outlot A, Outlot B, Outlot C and Lot 12, inclusive, in Tanneron Bay, being a subdivision of part of the South Half of the Northeast Quarter of Section 23, Township 45 North; Range 9, East of the Third Principal Meridian, according to the plat thereof recorded on November 25, 1996, as Document No. 3903841, in Lake County, Illinois.

Permanent Index Numbers:

05-23-206-010	05-23-206-041	05-23-207-028
05-23-206-011	05-23-206-042	05-23-207-029
05-23-206-012	05-23-206-043	05-23-207-030
05-23-206-013	05-23-206-044	05-23-207-031
05-23-206-014	05-23-206-045	05-23-207-032
05-23-206-015	05-23-206-046	05-23-207-033
05-23-206-016	05-23-206-047	05-23-207-034
05-23-206-017	05-23-206-048	05-23-207-035
05-23-206-018	05-23-206-049	05-23-207-036
05-23-206-019	05-23-206-050	05-23-207-037
05-23-206-020	05-23-206-051	05-23-207-038
05-23-206-021		05-23-207-039
05-23-206-023	05-23-207-010	05-23-207-040
05-23-206-024	05-23-207-011	05-23-207-041
05-23-206-025	05-23-207-012	05-23-207-042
05-23-206-026	05-23-207-013	05-23-207-043
05-23-206-027	05-23-207-014	05-23-207-045
05-23-206-028	05-23-207-015	05-23-207-046
05-23-206-029	05-23-207-016	05-23-207-047
05-23-206-030	05-23-207-017	05-23-207-048
05-23-206-031	05-23-207-018	05-23-207-049
05-23-206-032	05-23-207-019	05-23-207-050
05-23-206-033	05-23-207-020	05-23-207-051
05-23-206-034	05-23-207-021	05-23-207-052
05-23-206-035	05-23-207-022	05-23-207-053
05-23-206-036	05-23-207-023	05-23-207-054
05-23-206-037	05-23-207-024	05-23-207-055
05-23-206-038	05-23-207-025	
05-23-206-039	05-23-207-026	
05-23-206-040	05-23-207-027	

MAR 12 2002

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

**EXHIBIT B**

**SECRETARIAL CERTIFICATION**

I, Penny L. Cummings, being duly sworn on oath, state that:

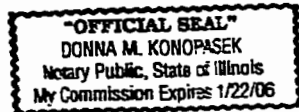
1. I am the duly elected Secretary of the Tanneron Bay Townhomes Condominium;
2. I am the keeper of records of such Association;
3. I certify that on the 28th day of November, 2001, at a special meeting of Unit Owners, duly noticed, a resolution setting forth the Amendment herein, was duly adopted by the affirmative vote of not less than seventy-five percent (75%) of the total vote;

FURTHER AFFIANT SAYETH NOT.

Penny L. Cummings  
Secretary  
Tanneron Bay Townhomes Condominium

Subscribed and sworn to me on  
the 17<sup>th</sup> day of MARCH, 2002

Donna M. Konopasek  
Notary Public



**EXHIBIT B**