

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM FOR SANDY POINT CON- DOMINIUM

This Amended and Restated Declaration of Condominium for Sand Point Condominium Association, Inc. (sometimes herein referred to as the "Amended and Restated Declaration" or the "Declaration") is made and entered into this twenty-seventh day of July, 2016 by the Sandy Point Condominium Association, Inc., an Illinois not-for-profit corporation (the "Association").

WITNESSETH:

WHEREAS, the Sandy Point Condominium Association, Inc., located in the Village of Lake Zurich (the "Village"), Lake County, Illinois, is administered by the Association through its Board of Managers (the "Board") pursuant to that certain Declaration of Condominium for Sandy Point Condominium Association (which Declaration includes the "By-Laws of Sandy Point Condominium Association" (the "Original Declaration") for the Property legally described in Exhibit "A," attached hereto and made a part hereof by reference; and

WHEREAS, the Original Declaration was Recorded in the office of the Recorder of Deeds of Lake County, Illinois, on October 12, 1990, as Document Number 2953313, thereby creating the Sandy Point Condominium Association; and

WHEREAS, the Original Declaration has heretofore been amended by Document Number 2964146, 2973267, and 3000046 recorded in the office of the Recorder of Deeds of Lake County, Illinois (the "Declaration Amendments"); and

WHEREAS, pursuant to Subsection 27(b) of the Illinois Condominium Property Act (the "Act"), the Original Declaration, as amended, may be amended to conform to the provisions of the Act, any other applicable statute, or to the Declaration, by the Recording of an instrument in writing setting forth such amendment approved by a vote of two-thirds (2/3) of the members of the Board at a meeting called for such purpose, provided, however, that the Unit Owners with twenty percent (20%) of the votes of the Association are allowed to petition within thirty (30) days of the Board action approving the amendment for a meeting of the Unit Owners for the purpose of considering such Board action, and, unless a Majority of the votes of the Unit Owners are cast at such meeting to reject the action, the action shall be ratified whether or not a quorum is present; and

WHEREAS, this Amended and Restated Declaration has been approved by the Board as required, and either no petition was submitted by the Unit Owners for a meeting to consider the Board action approving the Amended and Restated Declaration or such action was ratified.

NOW, THEREFORE, the Original Declaration and the Declaration Amendment are hereby amended and restated to be collectively read, in their entirety, as follows:

**AMENDED AND RESTATED DECLARATION
OF CONDOMINIUM
FOR
SANDY POINT CONDOMINIUM**

1. Definitions.

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

- a. Acceptable Technological Means - The use of electronic transmission over the Internet or other network, whether by direct connection, intranet, telecopier, electronic mail or other mode.
- b. Act - The Condominium Property Act of the State of Illinois, as amended from time to time.
- c. Association - Sandy Point Condominium Association, Inc., an Illinois not-for-profit corporation, and its successors and assigns.
- d. Board - The Board of Managers of the Association as constituted at any time and from time to time.
- e. Building - All structures, attached or unattached, containing one or more Units.
- f. By-Laws - The By-Laws of the Association, which are attached hereto as Exhibit "B."
- g. Common Elements - All portions of the Property except the Units, including the Limited Common Elements, and, without limiting the generality of the foregoing, the Parcel, roofs, exterior walls, and structural parts of the improvements on the Parcel, wherever located.
- h. Common Expenses - The proposed or actual expenses affecting the Property, including, without limitation, Reserves, if any, lawfully assessed by the Board and the expenses of maintenance, repair, administration and operation of the Common Elements.
- i. Condominium Instruments - All documents and authorized amendments thereto Recorded pursuant to the provisions of the Act, including this Amended and Restated Declaration, the By-Laws and the Plat.
- j. Declaration or Amended and Restated Declaration - This instrument with all exhibits hereto, as amended or supplemented from time to time.

k. Delivered - For the purpose of determining if any Association-related information and documentation has been Delivered or any notice required by this Declaration, the By-Laws or applicable law is effective, the term "Delivered" shall mean:

- (i) Deposited in the United States mail addressed to the Person at his, her or its address as it appears in the records of the Association, with sufficient first-class postage prepaid thereon;
- (ii) Personal delivery to someone in Person at the Unit Owner's Unit or other designated address on file with the Association;
- (iii) Posted in an Association publication that is routinely mailed to all Unit Owners;
- (iv) Transmitted by Acceptable Technological Means to the e-mail address, facsimile number or other contact information appearing in the records of the Association and authorized by the Unit Owner; or
- (v) Transmitted or presented in any other manner authorized by the Declaration, the By-Laws or as provided by law.

l. Electronic Transmission - Any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient that may be directly reproduced in paper form by the recipient through an automated process.

m. First Mortgagee - The holder of a note secured by a bona fide first mortgage or first trust deed covering any portion of the Property.

n. Limited Common Elements - A portion or portions of the Common Elements which are designated by this Amended and Restated Declaration or the Plat as being a Limited Common Element appurtenant to and for the exclusive use of Owners of one (1) or more, but less than all, of the Units, including, but not limited to, balconies and patios, perimeter walls, floors and ceilings, perimeter doors and windows, and all associated fixtures and structures therein that lie outside the Unit boundaries, pipes, ducts, flues, shafts, electrical wiring or conduits or other system or component part thereof which serves a unit exclusively to the extent such system or component part is located outside the boundaries of a Unit.

o. Majority or Majority of Unit Owners - The Unit Owners of more than fifty percent (50%) in the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided ownership. "Majority" or "majority of the members of the Board of Managers" means more than fifty percent (50%) of the total number of Persons constituting such Board pursuant to the By-Laws. Any specified percentage of the members of the Board means that percentage of the total number of Persons constituting such Board pursuant to the By-Laws.

p. Occupant - A Person or Persons, other than a Unit Owner, in possession of one (1) or more Units.

q. Parcel - The lot or lots or tract or tracts of land, described on Exhibit "A" hereto, submitted to the provisions of the Act.

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

s. Plat - The Plat or Plats of survey, as amended from time to time, of the Parcel and of all Units on the Property submitted to the provisions of the Act depicting the horizontal and vertical delineation of all such Units and such other data as may be required by the Act, said Plat or Plats being attached to the Original Declaration as Exhibit "A" and Recorded simultaneously with the Recording of the Original Declaration, as amended from time to time.

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

u. Record; Recordation; Recording; Recorded - To Record or have Recorded in the office of the Recorder of Deeds of Lake County, Illinois.

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

w. Rules and Regulations - The Rules and Regulations of the Association, as amended and/or restated from time to time.

x. Unit - A part of the Property designed and intended for independent residential use or such other uses permitted by this Amended and Restated Declaration.

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

z. Written - Any actions required by this Declaration or the By-Laws required to be "Written," to be "in writing," to have "Written consent," to have "Written approval" and the like, by Unit Owners or members of the Board, shall include any communication transmitted or received by Electronic Transmission or any other Acceptable Technological Means.

2. Submission of Property to the Act.

The Property is and remains submitted to and subject to the provisions of the Act, as amended from time to time.

3. Units: Description and Ownership.

All Units are delineated on the Plat attached to and made part of the Original Declaration as Exhibit "A," as amended from time to time, which by this reference is incorporated and made a part hereof. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Said Units are legally described on Exhibit "A" attached hereto. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes set forth in the delineation thereof as shown on the Plats, plus any pipes, ducts, vents, flues, chutes, conduits, wiring, utility systems and equipment and portions of walls, floors and ceilings situated entirely within a Unit and serving only such Unit (excluding all structural components of the Buildings). The horizontal planes of the Units are measured from the top of the finished concrete floors and to the bottom of the unfinished wood ceiling joist. The vertical planes of the Units are measured from the interior face of the concrete block walls. Except as provided in Section 31 of the Act, no Unit Owner shall, by deed, plat or otherwise, combine or subdivide or in any other manner cause a Unit to be separated into any tracts or parcels different from the entire Unit as shown on the Plat.

4. Certain Structures Not Constituting Part of a Unit.

Except as tenants in common with all other Unit Owners, no Unit Owner shall own any structural columns or pipes, ducts, flues, chutes, conduits, wiring or utility, heating, cooling or ventilation systems or equipment running through his or her Unit and serving more than one (1) Unit or the Common Elements, regardless of whether such items are located in the floors, ceilings or perimeter or interior walls serving the Unit. Structural columns or other structural Building components located within the boundaries of a Unit shall be part of the Common Elements.

5. Ownership of the Common Elements.

Each Unit Owner shall own and be entitled to an undivided interest in the Common Elements as a tenants in common with all other Unit Owners in the percentage allocated to his or her respective Unit, as set forth in the schedule attached hereto as Exhibit "A" and by this reference made a part hereof. Such percentages are based on the developer's initial determination of relative values of the Units and, except as otherwise provided by the Act, shall remain constant unless hereafter changed by a Recorded amendment to this Amended and Restated Declaration consented to in writing by all of the Unit Owners and eligible mortgagees, except as hereinafter provided, or as permitted by the Act.

6. No Partition of the Common Elements.

Except as otherwise provided by the Act, there shall be no partition of the Common Elements through judicial proceedings or otherwise until this Amended and Restated Declaration is terminated and the Property is withdrawn from its terms or from the Act, provided, however, that if any Unit shall be owned by two (2) or more co-Owners as tenants in common or as joint tenants, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of said Unit ownership as between such co-Owners.

7. Use of the Common Elements.

Except for (a) portions of the Common Elements that have been assigned to the Unit Owners by the Board pursuant to the provisions of the Condominium Instruments and/or applicable law; and (b) the Limited Common Elements, each Unit Owner and his or her agents, Occupants, guests, licensees and invitees shall have the right to use the Common Elements for ingress, egress, and all other purposes incidental to the use and occupancy of his or her Unit, and such other incidental uses permitted by the Condominium Instruments, which rights shall be appurtenant to, run with and pass with title to his or her Unit. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements serving only his or her Unit. The right to the exclusive use and possession of the Limited Common Elements as aforesaid shall be appurtenant to and run with the Unit of such Unit Owner. The use of the Common Elements, including the Limited Common Elements, and the rights of the Unit Owners with respect thereto, shall be subject to and governed by the Act, other applicable law, the Condominium Instruments, the Rules and Regulations and any resolutions adopted from time to time by the Board.

8. Transfer of Limited Common Elements.

The use of the Limited Common Elements may be transferred between Unit Owners at their expense, provided, however, that each such transfer shall be made by an amendment to this Amended and Restated Declaration executed by all Unit Owners who are parties to the transfer and consented to by all other Unit Owners who have any right to use the Limited Common Elements affected. The amendment shall contain a certificate showing that a copy of the amendment has been delivered to the Board and shall contain a statement from the parties involved in the transfer which sets forth any changes in the parties' percentages of ownership in the Common Elements. If the parties cannot agree upon a reapportionment of their respective shares, the Board shall decide such reapportionment. No transfer shall become effective until the amendment has been Recorded. Rights and obligations with respect to any Limited Common Element shall not be affected nor shall any transfer of it be effective unless the transaction complies with the requirements of this Paragraph and the Act. The Association may, in the Board's sole discretion, charge a reasonable fee for processing any such transaction and/or recover from the Unit Owners who are parties to the transaction any and all attorneys' fees and related legal expenses (including, without limitation, title company charges and/or Recording fees) incurred in connection with the transaction. Such transaction fees shall be divided equally between the Unit Owners involved in such transfer, shall be added to and deemed a part of the Unit Owners' respective shares of the Common Expenses and shall constitute liens on the respective interests of such Unit Owners in the Property.

9. Encroachments.

If any part of the Common Elements encroaches or shall hereafter encroach on any part of any Unit, or if any part of any Unit encroaches or shall hereafter encroach on any part of the Common Elements, or if any portion of any Unit encroaches on any part of any other Unit as a result of the construction, repair, reconstruction, settlement or shifting of the Building, valid mutual easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of (a) the Unit Owner of the Unit so encroaching; or (b) all the Unit Owners with respect to the Common Elements so encroaching as long as all or any part of the Building

containing such Unit or Common Elements so encroaching shall remain standing, provided, however, that a valid easement for an encroachment shall in no event be created in favor of the Unit Owner of any Unit if such encroachment occurred due to the intentional, willful or negligent conduct of said Unit Owner or that of his or her agent and/or such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Property by any other Unit Owner.

10. Easements.

a. **Utility Easements.** Easements are hereby declared and granted for utility purposes, including the right to lay, operate, maintain, repair and replace water mains and pipes, sanitary and drainage sewer lines, gas mains, telephone wires and equipment, electrical, cable television, other commercial entertainment, computer or other electronic communication conduits, cables, wires, transformers, and other equipment over, under, along and on any part of the Common Elements as such easements existed on the date of the Recording of the Original Declaration. The Property is subject to any easements set forth on the Plat. The Board may hereafter grant other or additional easements for utility or commercial entertainment purposes or for other purposes it deems to be in the best interests of the Association and to be for the benefit of the Property over, under, along and on any portion of the Common Elements, and each Unit Owner and each mortgagee of a Unit hereby grants the Board an irrevocable power of attorney coupled with an interest to execute, acknowledge and Record, for and in the name of such Unit Owner, such instruments as may be necessary or appropriate to effectuate the foregoing. Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, utility lines, commercial entertainment lines, components of communications systems or components of the Buildings' electronic systems or structural components which may run through the walls of a Unit, whether or not such walls lie in whole or in part within the Unit boundaries.

b. **Cable Television Easement.** A Majority of the Unit Owners at a meeting of Unit Owners duly called for such purpose may authorize the granting of an easement for the laying of cable television or high-speed Internet cable. The grant of such easement shall be according to the terms and conditions of the local ordinances providing for cable television or high-speed Internet in the Village of Lake Zurich.

c. **Street and Utilities Dedication.** Upon approval of at least sixty-six and two-thirds percent (66 2/3%) of the Unit Owners at a meeting of the Unit Owners called for such purpose any portions of the Common Elements may be dedicated to a public body for use as, or in connection with, a street or utility.

d. **Water Damage/Erosion Protection Easement.** Upon approval by a Majority of the Unit Owners, an easement may be granted to a governmental body for construction, maintenance or repair of a project for protection against water damage or erosion may be granted, renewed, amended or terminated.

e. **Easement for Public Authorities.** The duly designated officials and employees of governmental entities having jurisdiction over the Property shall have an easement to enter upon the Common Elements for the purpose of providing police and fire protection and

ambulance and rescue services and enforcing the applicable laws, ordinances, rules and regulations of the said governmental entities while in the pursuit of their duties. Such right shall include a right of vehicular entry and access through and across all driveways and parking areas which are part of the Common Elements.

f. Blanket Easement. A blanket easement over the Property is hereby granted in favor of the Association for the purpose of exercising its rights and performing its duties under this Amended and Restated Declaration, the By-Laws, the Rules and Regulations and any resolutions adopted from time to time by the Board and the Act. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Property, and any suppliers of water, utilities or cable television, other commercial entertainment, computer or other electronic communication services to the Property, shall be entitled to reasonable access to, over and through the individual Units as may be required in connection with the operation, maintenance, repair or replacement of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements or to service or take readings of any utility installations or meters located within a Unit. No Unit Owner may take any action that would interfere with the ability of the Association to maintain, repair, replace or inspect the Common Elements as provided herein.

g. Amendment to Easements. The Board, on behalf of all Unit Owners, shall have the right and power to cancel, alter, change or modify any easement which affects the Property and does not benefit a Unit Owner as the Board shall, in its sole discretion, determine. Without limiting the foregoing, the Board shall grant such easements or make such dedications as the Board may from time to time determine are appropriate, including, but not limited to, such easements as may be required to construct, keep and maintain improvements upon the Common Elements. Each Person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Unit ownership, shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements provided for in this Paragraph. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Association and duly Recorded.

11. Association.

a. The Association shall be the governing body for all of the Unit Owners and for the administration and operation of the Property as provided in the Act, this Amended and Restated Declaration, the articles of incorporation of the Association, the By-Laws, and the Rules and Regulations and resolutions of the Association. All agreements and determinations lawfully made by the Association shall be deemed to be binding on all Unit Owners and their respective successors and assigns.

b. Whether or not the Association is incorporated,

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

(ii) The provisions of Exhibit "B" to this Amended and Restated Declaration shall be adopted as the By-Laws of the Association; and

(iii) The name of the Association shall be "Sandy Point Condominium Association, Inc." or a similar name.

12. Assessments.

Each Unit Owner shall pay assessments reflecting his or her proportionate share of the Common Expenses. Such proportionate share of the Common Expenses for each Unit Owner shall be in the same ratio as his or her percentage of ownership in the Common Elements. Payment of assessments shall be in such amounts and at such times as determined and in the manner provided in the By-Laws and any Rules and Regulations and/or resolutions adopted by the Board. The Association, in the Board's sole discretion, may charge The Board shall assess late fees for the late payment of assessments or other charges. If any Unit Owner shall fail or refuse to pay such assessments and the amounts of any unpaid fines or other charges when due, the amount unpaid, together with any late fees, title company charges, management company charges, Recording fees, court costs, collection costs and attorneys' fees (regardless of whether litigation is initiated by any party) shall be added to and deemed a part of the Unit Owner's respective share of the Common Expenses and constitute a lien on the interest of such Unit Owner in the Property. Said lien shall take effect and be in force when and as provided in the Act. Without limiting the foregoing, fees charged by the Association's property manager or managing agent pertaining to the collection of a Unit Owner's financial obligations to the Association (including, without limitation, collection account "turnover fees," court appearance fees and fees for appearing at evictions), as well as fees incurred to protect the interests of the Association including, but not limited to, legal fees and management fees incurred to monitor foreclosures and other proceedings, whether pending in a court of law or otherwise, shall be added to and deemed a part of the Unit Owner's respective share of the Common Expenses and shall constitute a lien on the interest of such Unit Owner in the Property.

13. Mortgages.

a. Separate Mortgages. Each Unit Owner shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance or other lien on his or her respective Unit. No Unit 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 Property or any part thereof, except only to the extent of his or her Unit ownership.

b. Notice to First Mortgagees. Each Unit Owner shall notify the Association of the name and address of each holder of a Recorded first mortgage or trust deed encumbering a Unit, if any, and shall promptly notify the Association of any change in such information. The Association shall maintain a record of such information with respect to all Units. Upon the specific written request of a First Mortgagee or the insurer or guarantor of a Recorded first mortgage ("Insurer or Guarantor") to the Board, the First Mortgagee, In-

suror or Guarantor shall receive some or all of the following, as designated in the request:

- (i) Right to examine copies of this Amended and Restated Declaration, the By-Laws and Rules and Regulations of the Association during normal business hours;
- (ii) Any audited financial statements of the Association which are prepared for the Association and distributed to the Unit Owners;
- (iii) Notice of any decision by the Unit Owners to make a material amendment to this Amended and Restated Declaration, the By-Laws or articles of incorporation which, (aa) changes the boundaries of any Unit or the exclusive easement rights appertaining thereto; (bb) changes the interests in the Common Elements or the Limited Common Elements assigned to any Unit; (cc) changes the number of votes in the Association appertaining to any Unit; or (dd) changes the purposes to which any Unit or the Common Elements are restricted.
- (iv) Notice of any lapse, cancellation or material modification of any insurance policy maintained by the Association;
- (v) Notice of substantial damage to or destruction of any Unit (in excess of \$1,000.00) or any part of the Common Elements (in excess of \$10,000.00);
- (vi) Notice of any default of the Unit Owner whose Unit is subject to the First Mortgagee's mortgage, where such default is not cured by the Unit Owner within sixty (60) days after written notice by the Association to the Unit Owner of the existence of such default; and
- (vii) The request of a First Mortgagee, Insurer or Guarantor 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, Insurer or Guarantor who has made a proper request 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, Insurer or Guarantor hereunder and in the event of multiple requests from a purported First Mortgagee, Insurer or Guarantor of the same Unit, the Association shall honor the most recent request received.

c. Consent of a Majority of First Mortgagees. In addition to any requirements or prerequisites provided for elsewhere in this Amended and Restated Declaration, the approval of a Majority in number of First Mortgagees of Units shall be required for the following:

- (i) Adoption of an amendment to this Amended and Restated Declaration which
 - (aa) changes the pro rata interest or obligations of any Unit Owner for purposes of levying assessments or charges;

- (bb) changes the pro rata share of each Unit Owner's percentage of ownership in the Common Elements, except in cases of condemnation or withdrawal of any Unit a portion of the Property from the Act;
 - (cc) materially changes insurance and fidelity bond requirements;
 - (dd) changes any provision regarding capital Reserves; or
 - (ee) changes the number of votes of the Association appertaining to any Unit.
- (ii) Any amendment which changes the responsibility for the maintenance and repair of the Common Elements and any amendment which affects the right to use the Common Elements;
 - (iii) Any amendment which imposes a restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her Unit, including the restrictions on leasing of Units;
 - (iv) The removal of a portion of the Property from the provisions of the Act and this Amended and Restated Declaration;
 - (v) The effectuation of a decision by the Association to terminate professional management and assume self-management of the Property; and
 - (vi) The abandonment, partition, subdivision, encumbrance, sale, or transfer of the Common Elements (except for the granting of easements for public utilities or for other purposes consistent with the intended use of the Property and except for the encumbrance, sale or transfer of an undivided interest in connection with the encumbrance, sale or transfer of a Unit Ownership); and
 - (vii) The abandonment or termination of a Unit;

14. Real Estate Taxes.

Real estate taxes, special assessments, and any other taxes or charges of the State of Illinois or any political subdivision thereof, or other lawful taxing or assessing body which are authorized by law to be assessed against and levied upon any real property shall be separately taxed to each Unit Owner for his or her Unit and its corresponding percentage of ownership of the Common Elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner but are taxed to the Property as a whole, then each Unit Owner shall pay his or her proportionate share thereof in accordance with his or her respective percentage of ownership in the Common Elements. Upon authorization by the affirmative vote of not less than two-thirds (2/3) of the Board or a Majority of the Unit Owners at a meeting duly called for such purpose, the Board acting on behalf of all Unit Owners shall have the power to seek relief from or in connection with the assessment or levy of any such taxes, special assessments or charges, and to charge and collect all expenses incurred in connection therewith as Common Expenses.

15. Condemnation.

a. In the event of a taking or condemnation by competent authority of any part of the Property, the Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed before the taking or condemnation. Any proceeds or awards paid to the Association shall be applied first to the cost of any restoration, and any remaining portion of such proceeds shall be, in the sole discretion of the Board, either (i) applied to pay the Common Expenses or (ii) distributed to the remaining Unit Owners based on their current percentages of ownership in the Common Elements. Each Unit Owner hereby appoints the Association as attorney-in-fact for the purpose of representing him or her in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements or any part thereof.

b. 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 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 Property, any such distribution shall be made to the Unit Owners and their respective First Mortgagees, as their interests may appear, and no Unit Owner or other party shall be entitled to priority over the First Mortgagee of a Unit with respect to such Unit, provided that nothing in this Paragraph shall be construed to deny to the Association the right to apply any such proceeds to repair or replace the damaged portions of the Property after condemnation or taking by eminent domain of a part of the Property.

c. In the event that part or all of one (1) or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of this Amended and Restated Declaration and the Act, and the court which has jurisdiction in the action shall adjust the percentages of interest in the Common Elements allocated to the remaining 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. In such cases, the President and Secretary of the Association shall execute and Record an instrument amending this Amended and Restated Declaration on behalf of the Association as required by the Act, effective as of the effective date of the taking or condemnation, to reflect the removal of Property and the adjustments, if any, in the percentages of ownership as a result of an occurrence covered by this Paragraph. From and after the effective date of the amendment referred to in the preceding sentence, the Owner of a Unit which is removed in part or in whole from the provisions of this Amended and Restated Declaration shall only be liable for the payment of assessments based on the percentage of ownership, if any, allocated to the Unit in the amendment.

16. Maintenance, Repair and Replacement of Common Elements.

a. Except as otherwise specifically provided in this Amended and Restated Declaration and/or By-Laws, the operation, care, upkeep, maintenance, repair, replacement and im-

provement of the Common Elements shall be furnished by the Board as part of the Common Expenses. No Owner shall undertake any maintenance, repair and/or replacement of the Common Elements without written authorization from the Board. However, the Owner shall be responsible for the repair and replacement of all windows and doors appurtenant to their Unit. Notwithstanding anything to the contrary contained herein, the Association shall be responsible for the maintenance, repair and replacement of decorative exterior wood trim affecting the Common Elements.

b. The Board, at its sole discretion, may periodically review and establish standards and costs for interior improvements to windows and doors and make such improvements available to Unit Owners. Unit Owners shall be responsible for paying all such costs above and beyond the baseline replacement costs for windows and/or doors and shall be responsible for maintenance and repair of such interior improvements.

17. Maintenance, Repair and Replacement by Unit Owners.

a. Each Unit Owner shall furnish and be responsible, at his or her sole cost and expense, for any and all maintenance, repairs and replacements within his or her own Unit and all internal installations of such Unit, such as sinks, bathtubs, toilets and other bathroom fixtures, cabinets, refrigerators, ranges, dishwashers and other kitchen appliances, lighting fixtures, other electrical and plumbing fixtures and any portion of any other utility service facilities situated entirely within a Unit and serving only such Unit, provided, however, that such maintenance, repairs and replacements as may be required for the bringing of water, gas and electricity to the Units shall be furnished by the Board as part of the Common Expenses.

b. Except as is otherwise provided herein, each Unit Owner shall maintain, repair and replace all of the Limited Common Elements appurtenant to his or her Unit which are not visible from the exterior of the Building. Notwithstanding the foregoing, each Unit Owners shall furnish and be responsible, at his or her sole cost and expense, for the maintenance and repair of any decks or patios appurtenant to his or her Unit. Notwithstanding anything to the contrary contained herein, the Association shall be responsible for the maintenance, repair and replacement of decorative exterior wood trim affecting the Common Elements.

c. Each Unit Owner shall be responsible for all decorating within his or her Unit and shall be obligated to maintain and keep his or her own Unit in good, clean order and repair and to conduct regular inspections of the Unit. Without limiting the foregoing, each Unit Owner shall be responsible, at his or her sole cost and expense, for all wall and floor coverings, paneling, molding, tile, wallpaper, paint, finished flooring, carpeting, draperies, window shades, other window coverings and other furnishings and interior decorating within a Unit.

d. Each Unit Owner shall be required to maintain and pay for such utility services as may be separately metered or billed to each Unit by the respective utility companies and as may be required to protect the integrity of the Common Elements and the other Units.

e. Whenever the Board shall determine, in its sole discretion, that any maintenance, repair or replacement of any Unit or Limited Common Element is necessary to protect the Common Elements or any other portion of the Property (i) if such work is made necessary through the fault of the Unit Owner, then the Board may direct the Unit 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 Unit Owner, then the Board may cause the work to be done and the cost thereof shall be Common Expenses. If a Unit 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 Unit Owner. The determination of whether or not the work is made necessary through the fault of the Unit Owner shall be made by the Board and such determination shall be final and binding.

f. If the act or omission of a Unit Owner or Occupant or guest, invitee, licensee, visitor or pet of a Unit Owner or Occupant shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required that would otherwise be at Common Expense (regardless of whether such act or omission was intentional or negligent), then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board. To the extent permitted by law, nothing herein shall be deemed to require the Association to submit to its insurance carrier claims for such damage and such maintenance, repairs and replacements. In the event the Board reasonably declines to submit such claims, the Board may, in its sole discretion, charge all costs associated with the claims to the responsible Unit Owner and, until paid by such Unit Owner, such costs shall constitute a lien on the interest of such Unit Owner and be collectable in the same manner as any unpaid assessments or other Common Expenses.

g. A Unit Owner shall be strictly liable for any claim, damage, or judgment entered as a result of the use or operation of his or her Unit, or caused by his or her own conduct or the conduct of the Unit Owner's Occupants, tenants, guests, family members, invitees, licensees or pets. Costs incurred by the Association in connection with such strict liability shall constitute a lien on the interest of such Unit Owner and be collectable in the same manner as any unpaid assessments or other Common Expenses.

h. To the extent that joint facilities, equipment, facilities and fixtures within any Unit or Units shall be connected to similar equipment, facilities and fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to the Rules and Regulations of the Association as may be imposed from time to time. The authorized representatives of the Association or the Board, or the manager or managing agent for the Building, shall be entitled to reasonable access to the individual Units as may be required in connection with the maintenance, repairs or replacements of or to the Common Elements or any equipment, facilities and fixtures affecting or serving other Units or the Common Elements.

18. Additions, Alterations or Improvements.

The Board may authorize and charge as a Common Expense (or in the case of Limited Common Elements may charge the Unit Owner(s) benefitted thereby) additions, alterations or improvements to the Common Elements. The cost of any such work may be paid out of a separate assessment. Except as required by law or otherwise expressly provided in this Amended and Restated Declaration and/or the By-Laws, no additions, alterations or improvements shall be made by a Unit Owner to any part of the Common Elements (including the Limited Common Elements), and no additions, alterations or improvements shall be made by a Unit Owner to his Unit where such work alters a bearing wall or partition, configuration, perimeter doors or windows or otherwise affects the structure of the Unit or the structural integrity or systems of the Building or increases the cost of insurance required to be carried by the Board hereunder, without the prior written consent of the Board and then only in accordance with Rules and Regulations and/or resolutions adopted by the Board.

19. Handicapped Access.

Until determined by a legislative body, administrative agency or court of law having proper jurisdiction, the Common Elements shall not be subject to the public facility requirements of the Americans with Disabilities Act. To the extent required to conform to the Federal Fair Housing Amendments Act of 1988 and/or other applicable law, a Unit Owner may, at his or her sole cost and expense, make reasonable modifications to his or her Unit, the Common Elements or the Limited Common Elements serving his or her Unit, subject to the following:

- a. All modifications must be approved by the Board prior to the commencement of construction.
- b. The Board may request that All requests for modifications to a Unit, Common Elements or Limited Common Elements shall be submitted in written form. However, the Association will give appropriate consideration to reasonable modification requests made orally.
- c. In cases in which a Unit Owner's or Occupant's disability is not obvious or otherwise known to the Association or if the Unit Owner's or Occupant's need for a modification is not readily apparent or known, the Board may require that a Unit Owner or Occupant provide additional information specifying the general nature of the disability, describing the requested modification and/or describing how the requested modification is necessary to provide an equal opportunity for a Unit Owner or Occupant to use and enjoy the Property.
- d. The Board may require that the Unit Owner provide copies of plans, specifications, drawings, certifications and/or other reasonable documentation describing and/or depicting the proposed modifications.
- e. The Board may establish reasonable guidelines for construction of any proposed modification and may require that the Unit Owner provide reasonable assurances that the construction will be performed in a good and workmanlike manner.

f. The Board may require the Unit Owner to obtain and furnish adequate proof of any required building permits, mechanic's lien waivers and other documentation customarily furnished in connection with construction projects.

g. All modifications shall be constructed by properly insured and licensed contractors (where such insurance and licenses would otherwise be required for the proposed modification), and the Board may require that the Unit Owner furnish adequate proof of such insurance and licenses.

h. To the extent permitted by law and depending on the nature and location of the modification, the Board may require that, after completion, the modification will be maintained as necessary by the Unit Owner, at his or her sole cost and expense, in a safe and attractive condition.

20. Insurance.

a. The Board shall have the authority to and shall obtain insurance for the Association as follows:

(i) Property Insurance. The Association shall obtain and maintain property insurance:

(aa) On the Common Elements and the Units, including the Limited Common Elements and the bare walls, floors and ceilings of the Units;

(bb) Providing coverage for special form causes of loss; and

(cc) Providing coverage, at the time the insurance is purchased and at each renewal date, in a total amount of not less than the full insurable replacement cost of the insured Property, less deductibles, but including coverage sufficient to rebuild the insured Property in compliance with building code requirements subsequent to an insured loss, including: Coverage B, demolition costs, and Coverage C, the increased cost of construction coverage. The combined total of Coverage B and Coverage C shall be no less than ten percent (10%) of each insured Building value, or \$500,000.00, whichever is less.

(ii) General Liability Insurance. The Association shall obtain and maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Property in a minimum amount of \$1,000,000.00, or a greater amount deemed sufficient in the judgment of the Board, insuring the Board, the Association, the managing agent and their respective employees and agents and all Persons acting as agents. The Unit Owners must be included as additional insured parties but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance must cover claims of one (1) or more insured parties against other insured parties.

(iii) Fidelity Bond.

(aa) The Association shall obtain and maintain a fidelity bond. The fidelity bond shall cover the Association's property manager and all partners, officers and employees of the management company with whom the property manager is employed during the term of the fidelity bond, as well as the Board and officers and employees who control or disburse funds of the Association. The fidelity bond shall be in the full amount of funds in the custody or control of the Association and the management company, including, without limitation, the Association Reserve fund.

(bb) The insurance company issuing the fidelity bond may not cancel or refuse to renew the bond without giving not less than ten (10) days' prior written notice to the Association.

(cc) The Association shall secure and pay for the fidelity bond.

(iv) Directors and Officers Coverage. The Board shall obtain and maintain directors and officers liability coverage at a level deemed reasonable by the Board. Directors and officers liability coverage must extend to all contracts and other actions taken by the Board members in their official capacity as directors and officers, but this coverage shall exclude actions for which the Board members are not entitled to indemnification under the Illinois General Not For Profit Corporation Act of 1986, this Amended and Restated Declaration and the By-Laws. Such coverage shall include, but not be limited to, coverage of defense of non-monetary actions, defense of breach of contract claims and defense of decisions related to the placement or adequacy of insurance. This coverage shall also include as an insured, past, present and future Board members while acting in their capacity as members of the Board, the managing agent and employees of the Association and managing agent.

(v) Other Coverage. The Association shall have the authority to obtain such other insurance including, without limitation, umbrella liability insurance in excess of the required general liability insurance in an amount deemed sufficient in the judgment of the Board, workers' compensation and employer's liability insurance in amounts deemed sufficient in the judgment of the Board and as necessary to comply with applicable law (including voluntary compensation to cover employees not covered under the Illinois statute for benefits), errors and omissions coverage for the Board members, employment practices, flood insurance, environmental hazards, plate glass and equipment breakdown coverage, boiler and machinery coverage, and medical payments coverage for members of the public (not Unit Owners) injured on the Property without regard to liability of the Board or the Association, as the Board considers appropriate to protect the Association, the Unit Owners or officers, Board members, employees or agents of the Association.

b. The insurance maintained pursuant to Paragraph 20(a)(i) herein must include the Units, the Limited Common Elements (except as otherwise determined by the Board) and the Common Elements. The insurance need not cover improvements and better-

ments to the Units installed by Unit Owners, but if improvements and betterments are covered, any increased cost may be assessed by the Association against the Units affected. Common Elements include fixtures located within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed by the developer of the Property. Common Elements exclude floor, wall and ceiling coverings. "Improvements and betterments" means all decorating, fixtures and furnishings installed or added to and located within the boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, built-in cabinets installed by Unit Owners, or any other additions, alterations or upgrades installed or purchased by any Unit Owner.

c. The Board shall have the right to select substantial deductibles to the insurance coverages required or permitted under this Paragraph if the economic savings justify the additional risk and if permitted by law. The Board may, in the case of a claim for damage to a Unit or the Common Elements:

- (i) Pay the deductible amount as Common Expenses;
- (ii) After notice and an opportunity for a hearing, assess the deductible amount against the Unit Owner(s) who caused the damage or from whose Unit(s) the damage or cause of loss originated; or
- (iii) Require the Owner(s) of the Unit(s) affected to pay the deductible amount.

d. Insurance policies maintained pursuant to Paragraph 20(a) and Paragraph 20(b) herein must include each of the following provisions:

- (i) Each Unit Owner and secured party is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements or membership in the Association;
- (ii) The insurer waives its right to subrogation under the policy against any Unit Owner of the condominium or members of the Unit Owner's household and against the Association and Board members; and
- (iii) The Unit Owner waives his or her right to subrogation under the Association policy against the Association and the Board.

e. If at the time of a loss under a policy maintained by the Association hereunder, there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the Association's policy shall be the primary insurance.

f. Any loss covered by the property policy under Paragraph 20(a)(i) herein must be adjusted by and with the Association. The insurance proceeds for that loss must be payable to the Association or to an insurance trustee designated by the Association for that purpose. The insurance trustee or the Association must hold any insurance proceeds in trust for Unit Owners and secured parties as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged Common

Elements, the bare walls, ceilings and floors of the Units, and then to any improvements and betterments the Association may insure. Unit Owners are not entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Association has been terminated as trustee.

g. Each Unit Owner shall be responsible for obtaining and maintaining physical damage insurance on the wall, floor and ceiling coverings, decorating, painting, furniture, appliances, furnishings and personal property in his or her Unit and elsewhere on the Property (including, without limitation, vehicles) and any improvements and betterments to his or her Unit, for his or her personal liability and for his or her additional living expense. Each Unit Owner shall promptly report, in writing to the Board, all additions, alterations or improvements to the Unit Owner's 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 the Unit Owner's failure to so notify the Board. The Board shall not be responsible for obtaining or maintaining any insurance for which Unit Owners are responsible hereunder.

h. All Unit Owners shall obtain insurance covering their personal liability and compensatory (but not consequential) damages to another Unit caused by the negligence of the Unit Owner or his or her guests, residents or invitees, regardless of any negligence originating from the Unit. The personal liability of a Unit Owner or Association member must include the deductible of the Unit Owner whose Unit was damaged, any damage not covered by insurance required by this Paragraph, as well as the decorating, painting, wall, floor and ceiling coverings, trim, appliances, equipment and other furnishings. If the Unit Owner does not purchase insurance required by the Board and provide copies of certificates of insurance and/or other documentation deemed sufficient by the Board in its sole discretion evidencing the required coverage, the Board may, after providing notice and an opportunity for a violation hearing, impose single or continuing fines against a Unit Owner who fails to purchase and/or produce evidence of such liability insurance deemed sufficient by the Board, in its sole discretion.

i. Contractors and vendors (except public utilities) doing business with the Association under contracts exceeding \$10,000.00 per year must provide certificates of insurance naming the Association, the Board and the Association's managing agent as additional insured parties.

j. Any insurer defending a liability claim against the Association must notify the Association of the terms of the settlement no less than ten (10) days before settling the claim. The Association may not veto the settlement unless otherwise provided by contract or statute.

k. Each Unit Owner hereby waives and releases any and all claims which the Unit Owner may have against any other Unit Owner, the Association, its officers, members of the Board, the manager and managing agent of the Association, if any, and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casu-

alty or any act or omission referred to in Paragraph 20(e), to the extent that such damage is covered by fire or other form of casualty insurance.

21. Repair and Reconstruction.

a. In the case of damage by fire or other disaster to a portion of the Property (a "Damaged Improvement") where the insurance proceeds are sufficient to repair or reconstruct the Damaged Improvement, then the proceeds shall be used to repair or reconstruct the Damaged Improvement.

b. In the case of damage by fire or other disaster to a portion of the Property where the insurance proceeds are insufficient to repair or reconstruct the Damaged Improvement as provided under the Act or if 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:

i. A meeting of the Unit Owners shall be held not later than the first to occur of:

(aa) the expiration of thirty (30) days after the final adjustment of the insurance claims; or

(bb) the expiration of ninety (90) days after the occurrence which caused damage;

ii. 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;

iii. 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 Subparagraph (ii) 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 Unit Owners representing at least three-fourths (3/4) of the votes cast;

iv. If the Unit Owners do not vote to repair or reconstruct the Damaged Improvement at the meeting provided for in Subparagraph (i) above, then the Board may, at its discretion, call another meeting or meetings of the Unit Owners to reconsider the question of whether or not the Damaged Improvement shall be repaired or reconstructed. If the Unit Owners do not vote to repair or reconstruct the Damaged Improvement within one hundred and eighty (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; and

v. If the Unit Owners do not vote to repair or reconstruct the Damaged Improvement under Subparagraph (iv) above, and the Damaged Improvement is part of a Building which contains Units and the Board does not Record a notice as permit-

ted under the Act, then the Board may, with the consent of Unit Owners representing seventy-five percent (75%) of the undivided interest of Units in the Building and seventy-five percent (75%) of the First Mortgagees of Units in the Building, amend this Amended and Restated 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 Property which is so withdrawn shall be owned by the Unit Owners of Units in such withdrawn portion as tenants in common with each Unit Owner's interest being determined by dividing the aggregate undivided interests allocated to all of the Units in such withdrawn portion into the undivided interest of the Unit Owner's Unit in the withdrawn portion. The amendment shall also reallocate the Undivided Interests of the remaining 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 Unit Owner shall be made to such Unit Owner and his First Mortgagee, as their interests may appear, on an equitable basis, as 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.

22. Lease of Unit.

a. Any Unit Owner shall have the right to lease all (but not less than all) of his or her Unit upon such terms and conditions as the Unit Owner may deem advisable, except that no 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 Amended and Restated Declaration and that any failure of the lessee to comply with the terms of this Amended and Restated Declaration shall be a default under the lease. The Board may adopt such Rules and Regulations applicable to the leasing of Units as it deems advisable and necessary.

b. Whenever a Unit is leased, a copy of the lease, sublease or assignment, shall be furnished by such lessor, sub-lessor or assignor to the Association not later than the date of occupancy or ten (10) days after the lease, sublease or assignment is signed, whichever occurs first, and the lessee, sub-lessee or assignee thereunder shall be bound by and be subject to all of the obligations of the Unit Owner with respect to such Unit as provided in this Amended and Restated Declaration, the By-Laws and any rules and regulations, and the lease, sublease or assignment shall expressly so provide. In addi-

tion to any other remedies, by filing an action jointly against the lessee, sub-lessee or assignee and the Unit Owner, the Association may seek to enjoin a lessee, sub-lessee or assignee from occupying a Unit or seek to evict a lessee, sub-lessee or assignee under the provisions of Article IX of the Code of Civil Procedure for failure of the Unit Owner to comply with the leasing requirements prescribed by the Act, this Amended Declaration, the By-Laws and/or Rules and Regulations of the Association. The Board may proceed directly against a lessee, sub-lessee or assignee, at law or in equity, for any other breach by lessee, sub-lessee or assignee of any covenants or Rules and Regulations. Any attorneys' fees incurred by the Association arising out of a default by any Unit Owner, his or her lessee, invitee or guest in the performance of any of the provisions of the Condominium Instruments, Rules and Regulations or any applicable statute or ordinance shall be added to, and deemed a part of the Unit Owner's respective share of the Common Expenses.

23. Use and Occupancy.

No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit, or any two (2) or more adjoining Units used together, shall be used for residential purposes or such other uses permitted by this Amended and Restated Declaration and By-Laws and for no other purposes. Each Unit shall be used in strict compliance with all applicable laws, statutes, codes, ordinances, or regulations related to the use or occupancy of Property. Notwithstanding anything to the contrary contained in this Paragraph, Units owned by and/or in possession of the Association or its nominees may be used for any lawful purposes deemed appropriate by the Association in the Board's sole discretion.

24. Use Restrictions.

Except as provided herein, each Unit shall be used only as a residence or for such other purposes permitted by this Amended and Restated Declaration and the By-Laws. No industry, business, trade, occupation or profession of any kind, whether for profit or not, shall be conducted, maintained or permitted in any Unit without the prior consent of the Board. However, no Unit Owner or Occupant shall be precluded with respect to his or her Unit from (a) maintaining a personal professional library therein; (b) keeping his or her personal business or professional records or accounts therein; (c) handling his or her business or professional telephone calls or correspondence therefrom; or (d) maintaining a computer or other customary home office equipment within the Unit. Such uses are expressly declared customarily incident to the principal residential use and not in violation of such restriction. The intent of this restriction is to limit traffic, noise, refuse, advertising and other incidentals of operating a business which disturb the other Unit Owners and Occupants, detract from the appearance and residential character of the Property and/or lower property values. In all instances, the decision of the Board as to whether particular business activities are prohibited shall be final. The foregoing covenants of this Paragraph shall not apply to the activities of the Association and its nominees, employees and agents.

25. Obstruction of Common Elements/Proscribed Activities.

a. There shall be no obstruction of the Common Elements, nor shall anything be stored, temporarily or permanently, in or on the Common Elements without the prior consent of the Board. Nothing shall be altered or constructed in or removed from the Common Elements without the prior written consent of the Board. The Common Elements shall be kept free and clear of furniture, packages, rubbish, debris and other materials and articles of personal property.

b. No clothes, sheets, blankets, laundry, rugs or any other articles of any kind shall be hung or exposed on any part of the Common Elements, except as permitted by any Rules and Regulations of the Association. The use and the covering of the interior surfaces of windows, whether by draperies, window shades or other items visible from the exterior of the Building, shall be subject to the Rules and Regulations of the Association. Except as expressly permitted by this Amended and Restated Declaration, the By-Laws, or by applicable law, Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or roof of the Building without the prior written consent of the Board. The display of the American flag or a military flag (or both) shall be allowed on or within the Limited Common Elements or in the immediately adjacent exterior of the Building where the Unit is located, subject to the Rules and Regulations of the Association and applicable state and federal law. Additionally, religiously mandated objects shall be allowed on the front door area of a Unit.

26. Signs.

No sign of any kind or other form of solicitation or advertising or window display (including, without limitation, "For Sale" and "For Rent" signs) shall be permitted on the Property except at such location and in such form as may be prescribed by the Board, except that if a mortgagee becomes an Owner of a Unit, it may place such signs on the Unit owned by such mortgagee subject to rules and regulations of the Association. The Board may adopt Rules and Regulations and/or resolutions further regulating the placement of signs on the Property.

27. Antennas.

No mast, satellite dish, antenna or other structure for transmitting or receiving messages or programs by radio or television shall be erected, permitted or maintained in or upon any part of the Common Elements without the prior written approval of the Board. Notwithstanding the foregoing, satellite dishes one (1) meter or less and antennas designed to receive local television broadcast signals may be erected and maintained on those portions of the Property under the exclusive use and control of a Unit Owner, subject to Rules and Regulations and/or resolutions adopted from time to time by the Board. Antennas must not extend beyond a Unit Owner's exclusive use area or encroach upon any portion of the Common Elements or another Unit Owner's Unit or Limited Common Elements without the prior written approval of the Board.

28. Animals.

No animals shall be kept, raised, bred or brought to the Property for commercial purposes (including, without limitation, boarding purposes). Customary domesticated animals of a breed or variety commonly kept as household pets may be kept in the Units. All animals must be kept in strict compliance with such Rules and Regulations relating to animals and pets as may be from

time to time adopted by the Board, and which may include Rules and Regulations excluding any kind of animal, other than dogs or cats, by type or category. Any animal which is kept in violation of this provision or otherwise deemed by the Board, in its sole discretion, as causing or creating a nuisance or unreasonable disturbance, may be permanently removed from the Property upon three (3) days' written notice from the Board, and the decision of the Board shall be final.

29. Boat Slips.

The Association shall maintain boat slips for the exclusive use of unit Owners and explicitly authorized Tenants. The use of such boat slips shall be governed by the Rules and Regulations and/or resolutions adopted from time to time by the Board. Each Unit Owner shall be entitled to the exclusive right to use one (1) boat slip.

30. Use Affecting Insurance.

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

31. Structural Impairment. Except as otherwise provided in the Condominium Instruments or permitted by applicable law, nothing shall be done in any Unit or in, on or to the Common Elements that would impair the structural integrity, safety or soundness of the Building or that would structurally change the Building. No Unit Owner shall overload the plumbing or the electric, cable or communications wiring in a Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others. No Unit Owner shall connect any machines, appliances, accessories or equipment to the heating, air conditioning or plumbing systems without the prior written consent of the Association. No air conditioning unit other than those originally installed may be installed by any Unit Owner or resident without the prior written consent of the Association. No Unit Owner shall overload the floors of any Unit.

32. Nuisances.

No noxious or offensive activity shall be carried on in any Unit or on any other portion of the Property, and nothing shall be done on the Property, either willfully or negligently, which shall, in the sole judgment of the Board, cause an unreasonable annoyance or nuisance to other Unit Owners or Occupants or unreasonably interfere with other Unit Owners' and Occupants' use of the Units and the Common Elements.

33. Trash.

Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner in strict accordance with the Rules and Regulations adopted or approved by the Board from time to time.

34. Rules and Regulations.

a. The use and enjoyment of the Property shall be subject to the reasonable Rules and Regulations duly adopted by the Board from time to time, including, without limitation, Rules and Regulations regarding the delivery of notices, information and documents and communications by Electronic Transmission or by other Acceptable Technological Means and voting by Electronic Transmission or other Acceptable Technological Means, after a meeting of the Unit Owners called for the specific purpose of discussing the proposed Rules and Regulations; however, no Rules or Regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution. Notice of the meeting shall contain the full text of the proposed Rules and Regulations, and the notice of the Unit Owners' meeting shall be delivered giving members no less than ten (10) days and no more than thirty (30) days' notice of the time, place and purpose of the meeting.

b. After notice and an opportunity to be heard, the Board may levy reasonable fines for violations of this Amended and Restated Declaration, By-laws, and Rules and Regulations of the Association.

35. Remedies for Breach or Violation.

In the event of any violation by any Unit Owner, his or her tenant, invitee, guest or pet of the provisions of the Act, this Amended and Restated Declaration, the By-Laws, and/or the Rules and Regulations and resolutions of the Association, the Association, or its successors or assigns, or the Board, or the Association's agents, shall have each and all of the rights and remedies which may be provided for in the Act, this Amended and Restated Declaration, the By-Laws and the Rules and Regulations and resolutions or which may be otherwise available by law, or any combination thereof, including, without limitation, the following:

a. Self Help. 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 and power to enter the Unit or any portion of the Property on which, or as to which, such violation exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof. In such event, the Association, the Board, officers, employees or agents thereof, shall not thereby be deemed guilty in any manner of trespass or liable for damages, provided, however, that where the violation involves an improvement located within the boundaries of a Unit, judicial proceedings shall be instituted before such improvement may be altered or demolished.

b. Involuntary Sale. If such violation is not cured within thirty (30) days after notice in writing from the Board, or if such violation reoccurs more than once thereafter, the power to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate the rights of said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use and control his or her Unit, and thereupon an action may be filed by the Association against said defaulting Unit Owner for a decree declaring the termination of said defaulting Unit Owner's right to occupy, use or control the Unit owned by him or her on

account of said violation and ordering that all the right, title and interest of said defaulting Unit Owner in the Property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and other terms as the court shall determine equitable. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, attorneys' fees and all other expenses of the proceedings and sale, and all such items shall be taxed to such defaulting Unit Owner in the decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments or other Common Expenses due hereunder or any liens, shall be paid to the defaulting Unit Owner. Upon the confirmation of such sale, the purchaser of the Unit thereupon shall be entitled to a deed to the Unit and to immediate possession of the Unit and may apply to the court for a writ of assistance for the purpose of acquiring such possession. It shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the Unit so purchased subject to the Condominium Instruments, as amended from time to time.

c. Fines. The power to levy a single or continuing fine. The Association shall not impose a fine unless, (i) it has first provided to the Unit Owner alleged to have violated any provision of the Act, this Amended and Restated Declaration, the By-Laws or the Rules and Regulations or resolutions of the Association notice and an opportunity for a violation hearing before the Board or a duly authorized commission; and (ii) the Board shall have determined such allegations to be true. The foregoing notwithstanding, the Board shall impose fees for the late payment of any assessments or other outstanding charges incurred by a Unit Owner

d. Eviction. The right to take possession of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner prescribed by the forcible entry and detainer provisions of the Illinois Code of Civil Procedure, as amended from time to time.

e. Other Remedies. In addition to or in conjunction with the remedies set forth above, the right to prosecute any action or other proceedings, either at law or in equity, against such defaulting Unit Owner and others for enforcement or foreclosure of the Association's lien, the appointment of a receiver for the Unit, money damages, injunction, specific performance, and any other relief.

f. Costs and Expenses. Any and all costs and expenses incurred by the Association in connection with or attributable to a violation, breach and/or the exercise of its authority as granted in this Paragraph, including, but not limited to, court costs, recording fees, attorneys' fees, title company charges, management company charges, and other costs of labor and materials shall be paid by the Unit Owner in violation, breach and/or to whom the act or omission giving rise to enforcement is attributable and shall constitute a lien on the interest of such Unit Owner and be collectable in the same manner as any unpaid assessments or other Common Expenses.

g. Cumulative Remedies. Any and all rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or the Board. No terms, obligations, covenants, conditions, restrictions, liens, charges or provisions imposed hereby or contained herein, shall be deemed abrogated, abandoned or waived

by any failure to enforce or delay in enforcing them, no matter how many violations or breaches may occur and regardless of any delays in enforcement.

h. Enforcement by Board. Enforcement of the provisions contained in this Amended and Restated Declaration and the Rules and Regulations adopted hereunder may be by any proceeding at law or in equity by the Board on behalf of any aggrieved Unit 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.

i. Enforcement by Unit Owners. Enforcement of the provisions contained in this Amended and Restated Declaration and the Rules and Regulations adopted hereunder may be by any proceeding at law or in equity by any aggrieved Unit 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.

36. Severability.

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

37. Construction.

The provisions of this Amended and Restated Declaration, the By-Laws and the articles of incorporation, Rules and Regulations and resolutions of the Association shall be liberally construed to effectuate their purpose of creating a uniform plan for the administration and operation of a quality residential condominium development.

38. Board Determination Binding.

In the event of any dispute or disagreement between any Unit Owners relating to the Property or any question of interpretation or application of the provisions of this Amended and Restated Declaration, the By-Laws or the articles of incorporation, rules and regulations and resolutions of the Association, the determination by the Board shall be final and binding on each and all of such Unit Owners.

39. Captions.

The Paragraph headings herein are intended for convenience only and shall not be construed with any substantive effect.

40. Grantees.

Each grantee, purchaser under articles of agreement for deed, mortgagee, tenant under a lease and any other Person having at any time any interest or estate in the Property accepts

the same subject to all covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits and privileges which are hereby granted, created, reserved or declared, the By-Laws, the articles of incorporation, Rules and Regulations and resolutions of the Association, and the jurisdiction, rights and powers created or reserved by the provisions of the Act, all as at any time amended. All impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land and shall bind and inure to the benefit of each grantee, contract purchaser, mortgagee, tenant or other Person having at any time an interest or estate in the Property in like manner as though the provisions of this Amended and Restated Declaration were recited and stipulated at length in each and every deed of conveyance, installment contract, lease, mortgage, trust deed or other instrument evidencing such interest or estate in the Property.

41. Perpetuities and Restraints on Alienation.

If any of the covenants, conditions, restrictions, easements, reservations, liens, charges or rights created by this Amended and Restated Declaration and/or By-Laws shall be unlawful, void or voidable for violation of (a) the rule against perpetuities or some analogous statutory provision; (b) the rule restricting restraints on alienation; or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue and endure only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the President of the United States at the time of Recording of this Amended and Restated Declaration.

42. Land Trustee or other Entity as Unit Owner.

In the event title to any Unit is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all assessments, liens and other charges made hereunder and for the performance of all agreements, covenants and undertakings chargeable or created under this Amended and Restated Declaration against such Unit. The amount of such assessments, liens and charges shall continue to be obligations or liens upon the Unit 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.

43. Notices.

Except as otherwise provided herein or as required by law, any notice required to be sent to any Unit Owner under the provisions of this Amended and Restated Declaration, the By-Laws or applicable law may be Delivered by Electronic Transmission or other Acceptable Technological Means provided the Unit Owner has authorized that notices be sent by such means. Service of notice by Electronic Transmission or other Acceptable Technology Means shall be deemed effective when sent by the Association and need not be received by the Unit Owner to be effective. All other notices may be delivered in Person or by United States mail. Service of notice to Unit Owners by United States mail shall be deemed effective upon deposit in the

United States mail with proper post prepaid to the last known address of such Unit Owner as it appears in the records of the Association at the time of such mailing.

44. Amendment.

The provisions of this Amended and Restated Declaration may be amended, changed, or modified by an instrument in writing setting forth such amendment, change, or modification signed and acknowledged by the President or a Vice-President and the Secretary of the Association and containing an affidavit by an officer of the Association certifying that, (i) at least sixty-six and two-thirds percent (66 2/3%) of the Unit Owners have approved such amendment, change or modification, and (ii) a copy of the amendment, change or modification has been mailed by Certified Mail to all mortgagees having bona fide liens of record against any Unit not less than ten (10) days prior to the date of such affidavit. No amendment shall become effective until Recorded.

This Amended and Restated Declaration of Condominium for Sandy Point Condominium shall become effective upon Recordation in the office of the Recorder of Deeds of Lake County, Illinois.

This Amended and Restated Declaration of Condominium Laws for Sandy Point Condominium has been approved and executed by not less than two-thirds (2/3) of the members of the Board of Managers of Sandy Point Condominium Association, Inc., an Illinois not-for-profit corporation, in the exercise of the power and authority conferred upon and vested in the Association and its Board of Managers. The signatories hereby warrant that they possess full power and authority to execute this instrument.

IN WITNESS WHEREOF, the undersigned duly elected officers of Sandy Point Condominium Association, Inc., an Illinois not-for-profit corporation, have duly executed this Amended and Restated Declaration of Condominium for Sandy Point Condominium on this _____ day of _____, 201_____.

**SANDY POINT CONDOMINIUM ASSOCIATION INC., AN
ILLINOIS NOT-FOR-PROFIT CORPORATION**

By: _____ President

Attest: _____
Secretary

APPROVED AND EXECUTED BY:

(being not less than two-thirds of all of the members of the Board of Managers)

STATE OF ILLINOIS)
) ss.
COUNTY OF LAKE)

I, _____, hereby certify that I am the duly elected and qualified Secretary of Sandy Point Condominium Association, Inc., an Illinois not-for-profit corporation, and as such Secretary, I am the keeper of the books and records of the Association.

I further certify that the attached Amended and Restated Declaration of Condominium for Sandy Point Condominium was approved by not less than two-thirds (2/3) of all of the members of the Board of Managers as evidenced by their signatures and those of the stated officers and that either no petition was submitted by the Unit Owners for a meeting to consider the Board action approving the Amended and Restated Declaration or such action was ratified.

Secretary

Dated at Lake Zurich, Illinois, this _____ day of _____, 201____.

STATE OF ILLINOIS)
) ss.
COUNTY OF LAKE)

I, _____, a Notary Public in and for said county in the state aforesaid, do hereby certify that the aforesaid officer of Sandy Point Condominium Association, Inc., an Illinois not-for-profit corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day and acknowledged that he/she signed, sealed and delivered the same instrument as his/her free and voluntary act, for the uses and purposes set forth.

Given under my hand and notarial seal this _____ day of _____, 201____.

Notary Public

My commission expires:

Revised By-Laws

ARTICLE I

General Provisions

The Association is responsible for the overall administration of the Property through its duly elected Board of Managers. Whether or not incorporated, the Association shall have such powers, not inconsistent with the Illinois Condominium Property Act ("Act"), as are now or may hereafter be granted by the Illinois General Not For Profit Corporation Act of 1986. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized and to do every other act not inconsistent with applicable law that may be appropriate to promote and attain the purposes set forth in the Act or the Condominium Instruments. All capitalized terms used but not defined herein that are defined in the Amended and Restated Declaration of Condominium for Sandy Point Condominium (sometimes herein referred to as the "Amended and Restated Declaration" or the "Declaration") shall have the same meaning as ascribed to such terms in said document.

ARTICLE II

Registered Agent and Office

The Association shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office is identical with such registered office. The Association may have other offices within the State of Illinois as the Board may from time to time determine.

ARTICLE III

Members

Section 1. Classes of Members, Membership and Termination of Membership.

The Association shall have one (1) class of members. Each Unit Owner shall be a member of the Association, which membership shall terminate on the sale or other disposition of a member's Unit, at which time the new Unit Owner automatically shall become a member of the Association. Such termination shall not relieve or release any former Unit Owner from any liability or obligation incurred under or in any way connected with the condominium or the Association during the period of such ownership and membership in the Association. Such termination shall not impair any rights or remedies that the Association or others may have against a former Unit Owner arising from or in any way connected with such ownership and membership and the covenants and obligations incident to membership. Membership in the Association is not transferable or assignable, except as provided herein.

Section 2. Votes and Voting Rights.

- a. The total number of votes of all Unit Owners shall be one hundred (100). Each Unit Owner shall be entitled to the number of votes equal to his or her percentage of ownership interest in the Common Elements (as defined in the Declaration).
- b. If a Unit is owned by more than one (1) Person, the voting rights with respect to such Unit shall not be divided but shall be exercised as if the Unit Owner consisted of only one (1) Person in accordance with the proxy or other designation made by the Persons constituting such Unit Owner. If only one (1) of the Persons constituting such Unit Owner is present, he or she shall be entitled to cast the votes allocated to the Unit. If more than one (1) of the Persons constituting such Unit Owner is present, the votes allocated to the Unit may be cast only in accordance with the agreement of a Majority in interest of such Persons. Agreement by a Majority in interest of such Persons shall be deemed to exist if any of the Persons casts the votes allocated to such Unit without protest being made promptly to the individual presiding over the meeting by any other Persons constituting the Unit Owner.
- c. Any specified percentage of the Unit Owners, whether a Majority or otherwise, for the purposes of voting or for any other purpose, wherever provided in these By-Laws, shall mean such percentage of the total number of votes hereinabove set forth. Such percentage shall be computed in the same manner as is a specified percentage of the Unit Owners of the condominium as provided in the Declaration. When thirty percent (30%) or fewer of the Units, by number, possess over fifty percent (50%) in the aggregate of the votes as provided herein, any percentage vote of the Unit Owners specified herein or in the Declaration, shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to Units that would otherwise be applicable.

Section 3. Installment Contracts.

Anything herein to the contrary notwithstanding, in the event of a sale of a Unit, the purchaser of such Unit pursuant to an installment contract shall, during such times as he or she resides in the Unit, be counted toward a quorum for the purpose of election of members of the Board at any meeting of the Unit Owners called for the purpose of electing members of the Board and have the right to vote for the election of members of the Board and to be elected to and serve on the Board, unless the seller expressly retains in Writing any or all of such rights. In no event may both the seller and purchaser be counted toward a quorum, be permitted to vote, or be elected to serve on the Board. Satisfactory evidence of the existence and terms of the installment contract as they relate to the subject matter of this Section shall be made available to the Association or its agents. "Installment Contract" shall have the same meaning as set forth in Section 1(e) of the Illinois Dwelling Unit Installment Contract Act, as amended from time to time.

ARTICLE IV

Meetings of Unit Owners

Section 1. Annual Meeting.

a. An annual meeting of the Unit Owners for the purpose of electing Board members and for the transaction of such other business as may come before the meeting shall be held on the third Tuesday of September each succeeding year at 7:30 p.m. on the third Wednesday of November each succeeding year at 7:00 p.m., or at such other reasonable time or date as may be designated by the Board and specified in Written Notice to the Unit Owners. If the election of members of the Board shall not be held when designated herein for any annual meeting or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the Unit Owners called as soon thereafter as it conveniently may be held.

b. The Board may disseminate to the Unit Owners biographical and background information about candidates for election to the Board if reasonable efforts are made to identify all candidates and all candidates are given an opportunity to include biographical information and background material in the information to be disseminated and the Board does not express a preference in favor of any candidate.

Section 2. Special Meetings.

Special meetings of the Unit Owners may be called by the Board, the President of the Association or not less than twenty percent (20%) of the Unit Owners. Any matter subject to the approval of the Unit Owners as set forth in the Act, Declaration and By-Laws shall be submitted to the Unit Owners by the Board at the special meeting called pursuant to the provisions of this Section. The notices for such meeting shall specify the date, time and place of the meeting and the matters to be considered.

Section 3. Place and Time of Meetings.

All meetings of the Unit Owners shall take place at 8:00 p.m. 7:00 p.m. within the Property or at such other reasonable place or time as may be designated by the Board in any notice of a meeting.

Section 4. Notice of Meetings.

Written or printed notice stating the purpose, place, day and hour of any meeting of the Unit Owners shall be Delivered to each Unit Owner not less than ten (10) and no more than thirty (30) days before the date of such meeting, by or at the direction of the Board.

Section 5. Quorum.

The Unit Owners present at a meeting in person or by proxy holding twenty percent (20%) of the votes that may be cast at any meeting shall constitute a quorum at such meeting. Upon the adoption of appropriate Rules and Regulations by the Board allowing mail-in ballots and/or electronic voting, any votes cast by mail-in ballots, Electronic Transmission or other Acceptable Technological Means, shall be counted for the purpose of establishing a quorum. Once a quorum is established, it shall be deemed present throughout the meeting

Section 6. Proxies.

Except for votes cast by mail-in ballots or Electronic Transmission or other Acceptable Technological Means and except as otherwise required by applicable law, at any meeting of the Unit Owners, a Unit Owner entitled to vote may vote either in person or by proxy, executed in Writing by the Unit Owner or by his or her duly authorized attorney in fact. All proxies must bear the date of execution. No proxy shall be valid after eleven (11) months from the date of its execution. Any proxy distributed by the Board for election of members of the Board shall give Unit Owners the opportunity to designate any Person as the proxy holder and shall give the Unit Owners the opportunity to express a preference for any of the known candidates for the Board or to write in a name. Proxies shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of the Unit Owner or by Written notice to the Board by the Unit Owner. Proxies may be Delivered to the Board or its managing agent by Electronic Transmission or other Acceptable Technological Means provided that the Board can establish to its satisfaction that such proxy was authorized by the Unit Owner.

Section 7. Electronic Transmission.

The Board may adopt Rules and Regulations that expressly provide that a vote may be submitted by Electronic Transmission or other Acceptable Technological Means provided that the Board can establish to its satisfaction that such vote was authorized by the Unit Owner.

Section 8. Manner of Acting.

Except as set forth below and except as otherwise required by the Declaration or the Act, any action to be taken at any meeting of the Unit Owners at which a quorum is present shall be on the affirmative vote of more than fifty percent (50%) of the Unit Owners represented at such meeting. The following matters shall require the affirmative vote of not less than two-thirds (2/3) of the Unit Owners at a meeting duly called for that purpose:

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

Section 9. Action Without A Meeting.

Any action required to be taken at any annual or special meeting of the Unit Owners or any other action which may be taken at a meeting of the Unit Owners, may be taken by ballot without a meeting, in Writing by mail, Electronic Transmission, or any other Acceptable Technological Means, pursuant to which the Unit Owners are given the opportunity to vote for or against the proposed action, and the action receives approval by a Majority of the Unit Owners casting votes or such larger number as may be required by the Amended and Restated Declaration, these By-Laws or applicable law, provided that

the number of Unit Owners casting votes would constitute a quorum if such action had been taken at a meeting and further provided that voting remains open for not less than five (5) days from the date the ballot is Delivered, except in the case of a removal of one (1) or more members of the Board, a merger, consolidation, dissolution or sale, lease or exchange of assets, the voting must remain open for not less than twenty (20) days from the date the ballot is Delivered. In addition, any action required to be taken at any annual or special meeting of the Unit Owners, or any other action which may be taken at a meeting of the Unit Owners, may also be taken without a meeting and without a vote if a consent in Writing, setting forth the action so taken, shall be approved by all the Unit Owners.

ARTICLE V

Board of Managers

Section 1. In General.

The affairs of the Association shall be managed by the Board, which shall act as the Board of Managers of the condominium as provided in the Act and the Declaration.

Section 2. Number, Tenure and Qualifications.

There shall be five (5) members of the Board. Each elected member of the Board shall serve for a term of one (1) year and until his or her successor shall have been elected and qualified. Members of the Board shall be elected solely by, from and among the Unit Owners. All members of the Board shall be elected at large. The terms of at least one-third (1/3) of the members of the Board shall expire annually. Each member of the Board shall hold office without compensation unless expressly provided for in resolution adopted by the Unit Owners. Notwithstanding the foregoing, upon the presentation of receipts or other appropriate documentation, a Board member shall be reimbursed by the Association for reasonable out-of-pocket expenses incurred in the course of his or her performance of his or her duties as a Board member. In the event that a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural Person or Persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity may be eligible to serve as a member of the Board. If there are multiple Unit Owners of a single Unit, only one (1) of the multiple Unit Owners shall be eligible to serve as a member of the Board at any one (1) time. A member of the Board may succeed himself or herself in office. If a director shall cease to meet such qualifications during his or her term, he or she shall thereupon cease to be a director and his or her place on the Board shall be deemed vacant.

Section 3. Election.

- a. At each annual meeting of the Unit Owners, the Unit Owners shall be entitled to vote on a cumulative basis and the Board members and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. The election as between candidates receiving the same

number of votes shall be determined by lot. A candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of the ballots at such election.

- b. b. Upon adoption of Rules and Regulations by the Board any vote to elect members to the Board may be conducted by mail-in ballots and/or by Electronic Transmission or other Acceptable Technological Means; However, when elections are conducted by such means, Unit Owners may not vote by proxy, but may vote only
 - (i) by submitting an Association-issued ballot in Person at the election meeting;
 - (ii) by submitting an Association-issued ballot to the Association or its designated agent by mail or other delivery method authorized by the Board or the Rules; or
 - (iii) by voting by Electronic Transmission or other Acceptable Technological Means as instructed by the Board or its designated agent.

When an election is to be conducted by such means, ballots and, if applicable, instructions regarding the use of electronic means for voting shall be Delivered to all Unit Owners not less than ten (10) and not more than thirty (30) days before the election. The Board shall give Unit Owners not less than twenty-one (21) days' prior Written notice of the deadline for inclusion of a candidate's name on the ballots. Such deadline shall be no more than seven (7) days before the instructions for voting using Electronic Transmission or other Acceptable Technological Means is distributed to Unit Owners. Every instruction notice must include the names of all candidates who have given the Board or its authorized agent timely Written notice of their candidacy and must give the Person voting through Electronic Transmission or other Acceptable Technological Means the opportunity to cast votes for candidates whose names do not appear on the ballot.

Section 4. Regular Meetings.

A regular annual meeting of the Board shall be held immediately after the annual meeting of Unit Owners. By resolutions adopted by the Board from time to time, the Board shall provide the time and place (on the Property or at such other place within the Village) for the holding of additional regular meetings of the Board. The Board shall meet at least four (4) times per year.

Section 5. Special Meetings.

Special meetings of the Board may be called by the President or by twenty-five percent (25%) of the members of the Board. The Person or Persons permitted to call special meetings of the Board may fix the time and place (on the Property or at such other place) for holding any special meeting of the Board called by them.

Section 6. Notice of Board Meetings.

- a. Written notice of any regular or special meeting of the Board shall be Delivered to every Board member at least forty-eight (48) hours before the date of such meeting, unless the Board member waives notice of the meeting pursuant to Subsection 18(a) (8) of the Act. Notice of every meeting of the Board shall be posted in entranceways or other conspicuous places on the Property designated by the Board at least forty-eight (48) hours before the meeting, except where there is no common entranceway for seven (7) or more Units, the Board may designate one (1) or more places in the proximity of these Units where the notices of meetings shall be posted. The business to be transacted at or the purpose of any special meeting of the Board shall be specified in the notice. However, notice of all regularly scheduled Board meetings may be given once for any 12-month period, and need not be given again unless a regularly scheduled meeting is reset to be held at a different time or place. Notice of every meeting of the Board shall also be given at least forty-eight (48) hours prior to the meeting, or such longer notice as the Act may separately require, to each Unit Owner who has provided the Association with Written authorization to receive electronic delivery of notices and other communications. Except as is otherwise required, no other notice of a meeting of the Board need be given to any Unit Owner.
- b. Notwithstanding the foregoing Section 6(a), notice of Board meetings concerning the adoption of (i) the proposed Annual Budget; (ii) regular assessments; or (iii) a separate or special assessment shall be mailed or Delivered giving Unit Owners no less than ten (10) and no more than thirty (30) days' notice of the time, place and purpose of such meeting unless otherwise provided by law.

Section 7. Quorum.

A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 8. Manner of Acting.

The act of a Majority of the members of the Board present at a meeting of the Board at which a quorum is present shall be the act of the Board, except when otherwise provided by law or in the Condominium Instruments. Members of the Board may participate in and act at any meeting of the Board through the use of a conference telephone or other communications equipment by means of which all Persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in Person at the meeting of the Person or Persons so participating.

Section 9. Action Without a Meeting.

Any action which is required to be taken at a meeting of the Board or any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in Writing setting forth the action so taken, shall be approved in Writing by all of the directors. The consent shall be evidenced by one (1) or more Written approvals, each of which sets forth the action taken and provides a Written record of approval. All the approvals evidencing the consent shall be Delivered to the Secretary to be filed with the corporate records. The action taken shall be effective when all directors have approved

the consent unless the consent specifies a different effective date. Any such consent approved in Writing by all the directors shall have the same effect as a unanimous vote.

Section 10. Vacancies.

a. Any vacancy occurring on the Board by reason of death, removal or resignation of a member of the Board may be filled by the two-thirds (2/3) vote of the remaining members of the Board. If a Board member ceases to be a Unit Owner, he or she shall be deemed to have resigned as of the date of such cessation. A Unit Owner elected by the Board to fill a vacancy shall serve until the next annual meeting of the Unit Owners, provided that if a petition is filed with the Board signed by the Unit Owners holding twenty percent (20%) of the votes of the Association requesting a meeting of the Unit Owners to fill the vacancy for the balance of the unexpired term of office of his or her predecessor, the term of the member of the Board so elected by the Board shall terminate thirty (30) days after the filing of the petition and a meeting of the Unit Owners for the purpose of filling such vacancy for such unexpired term shall be called no later than thirty (30) days following the filing of such petition.

b. Members of the Board may resign at any time by Written resignation Delivered or mailed to any officer of the Association, which resignation shall be effective upon receipt. If, as a result of the death, removal or resignation of a member of the Board, no member of the Board remains in office, a special meeting of the Unit Owners may be called to fill all vacancies for the unexpired terms of the members of the Board.

Section 11. Removal.

Any member of the Board may be removed, with or without cause, from office by the affirmative vote of the Unit Owners representing two-thirds (2/3) of the total vote of the Association at special meeting of the Unit Owners called for such purpose.

Section 12. Adoption of Rules and Regulations.

The Board may adopt or amend such Rules and Regulations governing the operation, maintenance, beautification and use of the Common Elements and the Units, not inconsistent with the Declaration or applicable law, and Unit Owners shall conform to, and abide by, such Rules and Regulations. Such Rules and Regulations may include without authorizing electronic delivery of notices and other communications to each Unit Owner who provides the Association with Written authorization for electronic delivery and an electronic address to which such communications are to be electronically transmitted. All Rules and Regulations or amendments thereto shall be adopted by the Board 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, which Rules and Regulations shall conform to the requirements of the Act, the Declaration and these By-Laws. No quorum is required at such meeting of the Unit Owners. No Rules or Regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution, including, but not limited to, the free exercise of religion. No Rules or Regulations shall prohibit any reasonable accommodation for religious practices, including the attachment of religiously mandated objects to the front-door area of a Unit.

Section 13. Open Meetings.

Unless otherwise provided by law, all meetings of the Board, whether regular or special, shall be open to the Unit Owners, except for meetings or portions of meetings held:

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

Any vote on the above matters discussed or considered in closed session shall take place at a meeting of the Board or portion thereof open to any Unit Owner. Any Unit Owner may record the proceedings at Board meetings or portions thereof required to be open by the Act or these By-Laws by tape, film or other means, subject to reasonable Rules and Regulations prescribed by the Board to govern the right to make such recordings.

Section 14. Contracts.

The Board may not enter into a contract with a current Board member Unit Owner or with a corporation or partnership in which a Board member Unit Owner or a Board member's Unit Owner's immediate family has a twenty-five percent (25%) or more interest, unless notice of intent to enter into the contract is given to the Unit Owners within twenty (20) days after a decision is made to enter into the contract and the Unit Owners are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the Unit Owners, for an election to approve or disapprove the contract. Such petition shall be filed within twenty (20) days after such notice and such election shall be held within thirty (30) days after filing the petition. For the purposes of this Section, a Board member's Unit Owner's immediate family means the Board member's Unit Owner's spouse, parents, children and siblings. Any contract's entered into under this section shall require the contractor to obtain and provide proof of insurance in the same coverage and amounts as required of any other contractor. Such insurance shall be in addition to, and independent of, any insurance the Unit Owner may have with respect to his or her obligation as a Unit Owner.

ARTICLE VI

Officers

Section 1. Officers.

The officers of the Association shall be a President, one (1) or more Vice-Presidents, a Secretary, a Treasurer and such other officers as the Board shall see fit to elect.

Section 2. Election and Term of Office.

The officers of the Association shall be elected annually by the Board at its first regular meeting held after the annual meeting of the Unit Owners from among the members of the Board and shall hold office at the discretion of the Board. If the election of officers shall not be held at such first regular Board meeting, the election shall be held as soon thereafter as conveniently may be possible. Vacancies in any officer position may be filled and new offices may be created and filled or eliminated at any meeting of the Board. Each officer shall hold office until the first regular Board meeting is held after the next succeeding annual meeting of the Unit Owners and until his or her successor shall have been duly elected and qualified. An officer may hold two (2) or more positions and may succeed himself or herself in office. Officers shall serve without compensation.

Section 3. Removal.

Any officer elected by the Board may be removed, with or without cause, by a Majority vote of the Board.

Section 4. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by a two-thirds (2/3) vote of the remaining members of the Board until the next annual meeting of the Unit Owners or for a period terminating no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty percent (20%) of the votes of the Association requesting a meeting of the Unit Owners to fill the vacancy for the balance of the term, and that a meeting of the Unit Owners shall be called for the purposes of filling a vacancy on the Board no later than thirty (30) days following the filing of a petition signed by Unit Owners holding twenty percent (20%) of the votes of the Association requesting such a meeting.

Section 5. President.

The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Unit Owners and of the Board. The President may sign, together with the Secretary or any other proper officer of the Association authorized by the Board, any contracts or other instruments the Board has authorized to be executed and any amendment to the Declaration, these By-Laws or the Plat as provided for in the Act and in the Condominium Instruments, and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 6. Vice-President.

In the absence of the President or in the event of the President's inability or refusal to act, the Vice-President (or in the event there is more than one (1) Vice-President, the Vice-Presidents, in order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all of the restrictions on the President. Any Vice President shall perform such other duties as from time to time may be assigned by the Board.

Section 7. Secretary.

The Secretary shall keep the minutes of the meetings of the Unit Owners and of the Board, see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law, mail and receive all notices on behalf of the Association, together with the President, execute on behalf of the Association documents as required or permitted by the Declaration, these By-Laws or the Act, be custodian of the records and corporate seal of the Association and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.

Section 8. Treasurer.

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association and for keeping full and accurate accounts of all receipts and disbursements in the Association's books of account kept for such purpose, receive and give receipts for money due and payable to the Association from any source whatsoever, deposit all such money in the name of the Association in those banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-Laws and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board.

ARTICLE VII

Powers and Duties of the Association and Board

Section 1. General Powers and Duties of the Board.

The Board shall exercise for the Association all powers, duties and authority vested in the Association by the Act, the Illinois General Not For Profit Corporation Act of 1986 and the Condominium Instruments, all as amended from time to time, including but not limited to, the following:

- a. Operation, care, upkeep, maintenance, replacement and improvement of the Common Elements.
- b. Preparation, adoption and distribution of the Annual Budget for the Property.
- c. Levying and expending of assessments.

- d. Collection of assessments from Unit Owners.
- e. Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements.
- f. Obtaining adequate and appropriate kinds of insurance and requiring the Unit Owners to obtain insurance covering their personal liability and other coverage as provided by the Condominium Instruments or by applicable law.
- g. Leasing Units and land, or any interest therein, conveyed to or purchased by the Association or the Board, except the lease of all or substantially all of the Property and assets of the Association shall require the approval of Unit Owners owning not less than two-thirds (2/3) of the total ownership of the Common Elements;
- h. Selling or purchasing Units and land, or any interest therein, conveyed to or purchased by the Association or the Board, for and on behalf of the Association, except the sale or purchase of all or substantially all of the Property and assets of the Association shall require the approval of Unit Owners owning not less than two-thirds (2/3) of the total ownership of the Common Elements.
- i. Owning, encumbering, leasing and otherwise dealing with Units and land, or any interest therein, conveyed to or purchased by the Association or the Board, for and on behalf of the Association.
- j. Entering into agreements or arrangements for premises suitable for use as apartments for Building personnel, upon such terms as the Board may approve.
- k. Bidding and purchasing, for and on behalf of the Association, any Unit, or interest therein, at a sale pursuant to a mortgage foreclosure, a foreclosure of the lien for Common Expenses under the Act, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Unit Owners owning not less than two-thirds (2/3) of the total ownership of the Common Elements, provided that such consent shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such Unit or interest therein.
- l. Making such mortgage arrangements, levying special assessments proportionately among the respective Unit Owners, and making other financial arrangements, in order to close and consummate the purchase of a Unit, or interest therein, by the Association, provided, however, that no such financing arrangement shall be secured by an encumbrance on the interest in the Property other than the Unit, or interest therein, to be purchased or leased, and the percentage of interest in the Common Elements appurtenant thereto.
- m. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property.
- n. Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property.

- o. Determining the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable.
- p. Having access to each Unit and its appurtenant Limited Common Elements from time to time as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units. Except in cases of emergency, the Board shall provide reasonable notice before entering any Unit. Such entry shall be made with as little inconvenience to the Unit Owners as practicable.
- q. Borrowing money at such rates of interest as it may determine, issuing its notes, bonds and other obligations to evidence such borrowing and securing any of its obligations by making a mortgage or giving a security interest in all or any of its property or income, provided, however, that in no event shall the Board enter into a mortgage or encumbrance to be Recorded as a lien on the Common Elements.
- r. Paying real estate property taxes, special assessments and any other special taxes or charges of the State of Illinois or of any political subdivision thereof or other lawful taxing or assessing body that are authorized by law to be assessed and levied on the real property of the condominium (other than assessments on Units not owned by the Association).
- s. Imposing charges for late payments of a Unit Owner's proportionate share of the Common Expense or any other expenses lawfully agreed on and, after notice and an opportunity to be heard, levying reasonable fines for violation of the Declaration, these By-Laws or the Rules and Regulations of the Association.
- t. Assigning the Association's rights to future income from assessments or other sources and to mortgage or pledge all or substantially all of the remaining assets of the Association, by a majority vote of the entire Board.
- u. Recording the dedication of a portion of the Common Elements to a public body for use as or in connection with a street or utility, when authorized by the Unit Owners pursuant to the Declaration and the Act.
- v. Recording the granting of an easement for the laying of cable television or high-speed Internet when authorized pursuant to the Declaration and the Act and, if available and determined by the Board to be in the best interests of the Association, obtaining cable television or bulk high-speed Internet service for all of the Units on a bulk identical service and equal cost per Unit basis and assessing and recovering the expense as a Common Expense and, if so determined by the Board, to assess each and every Unit on the same equal cost per Unit basis.

w. Recording the grant of an easement for construction, maintenance or repair of a project for protection against water damage or erosion when authorized pursuant to the Declaration and the Act.

x. Making reasonable accommodations for the needs of handicapped Unit Owners, as required by the Federal Fair Housing Act Amendments of 1988, the Illinois Human Rights Act and other applicable statutes and ordinances, in the exercise of the Board's powers with respect to the use of the Common Elements or approval of modifications in an individual Unit.

y. Accepting service of a notice of claim for purposes of the Illinois Mechanics Lien Act on behalf of each Unit Owner with respect to improvements performed pursuant to any contract entered into by the Board pursuant to the Act and distributing the notice to the Unit Owners within seven (7) days of the acceptance of the service by the Board. The service shall be effective as if each individual Unit Owner had been served individually with notice.

z. Acting in a representative capacity in relation to matters involving the Common Elements or more than one (1) Unit, on behalf of the Unit Owners, as their interests may appear.

aa. Establishing and maintaining a system of master metering of public utility services and collecting payments in connection therewith, subject to the requirements of the Illinois Tenant Utility Payment Disclosure Act.

bb. Creating and appointing Persons to committees and delegating to such committees the Board's authority to carry out certain duties of the Board.

cc. Creating and appointing Persons to a commission which may or may not have Board members as members thereof, which commission may not act on behalf of the Association or bind it to any action but may make recommendations to the Board. Members of each such commission or similar body shall be Unit Owners and may be removed by the Board whenever in the Board's judgment and sole discretion the best interests of the Association shall be served by such removal.

dd. Any powers and duties which are specifically required by the Act from time to time, including, without limitation, those powers and duties set forth in Sections 18 and 18.4 of the Act.

Section 2. Specific Powers and Duties

Anything herein contained to the contrary notwithstanding, the Association shall have the following powers:

a. To engage the services of a property manager, community manager or managing agent, who may be any Person, firm, corporation or other entity, on such compensation as the Board deems reasonable and to delegate any powers

granted to the Board to such managing agent, provided, however, that any such management agreement shall provide for termination by either party to such agreement without cause upon ninety (90) days' Written notice without payment of a termination fee, and shall have a term not to exceed three (3) years.

b. To engage the services of any Persons (including, but not limited to, engineers, architects, accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Board, in the administration, operation, repair, maintenance and management of the Property or in connection with any duty, responsibility or right of the Association, to delegate appropriate powers granted to the Board to such Persons and to remove or terminate any such Person at any time.

c. To establish or maintain one (1) or more bank accounts for the deposit of any funds paid to or received by the Association.

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

Section 3. Fiduciary Duty.

In the performance of their duties, the officers and members of the Board shall exercise the care required of a fiduciary of the Unit Owners.

Section 4. Business Activities.

Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Unit Owners or any of them. The granting of licenses, leases or concessions or imposition of user charges shall not be considered conducting an active business for profit. The Board shall have the right and authority, subject to the Declaration and Bylaws, to lease or grant licenses or concessions with regard to parts of the Common Elements. The rental, fees and terms of such lease, license or concession shall be determined by the Board and any and all proceeds therefrom shall be used to pay the Common Expenses and shall be taken into account in the preparation of the annual budget.

Section 5. Authorized Expenditures.

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

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

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

c. Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repairing and replacing portions of or for the Common Elements (but not including the Common Elements not visible from the exterior of the Building and decks and patios which Unit Owners shall paint, clean, decorate, maintain and repair at their sole cost) and such furnishings and equipment for the Common Elements to the extent the Association, in the Board's sole discretion, shall determine is necessary and proper. The Association shall have the exclusive right and duty to acquire the same for the Common Elements. Notwithstanding anything to the contrary contained herein, the Association shall be responsible for the maintenance, repair and replacement of decorative exterior wood trim affecting the Common Elements.

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

e. Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof that may, in the opinion of the Association, constitute a lien against the Property or against the Common Elements rather than against the interest therein of particular Unit Owners. When one (1) or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Association by reason of said lien or liens shall be separately assessed to said Unit Owners and shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the Property, which lien may be perfected and foreclosed in the manner provided in the Act with respect to liens for failure to pay a share of the Common Expenses and/or otherwise collected in the same manner as any unpaid assessments or other unpaid Common Expenses.

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

g. Maintenance and repairs (including, without limitation, payment of real estate taxes, insurance premiums and Common Expenses) with respect to any Unit owned by the Association.

h. If, due to the act, omission or neglect of a Unit Owner, Occupant or a Unit Owner's or Occupant's guests, family members, invitees, licensees or pets, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required that would otherwise be a Common Expense, the levy against such Unit Owner of a charge for such damage and such maintenance, repairs and replacements as may be determined by the Board, and the amount of such charge shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in the Act with respect to liens for failure to pay a share of the Common Expenses and/or otherwise collected in the same manner as any unpaid assessments or other unpaid Common Expenses.

i. Except as otherwise provided herein, all expenses, charges and costs of the operation, care, upkeep, maintenance, repair, replacement or improvement of the Common Elements and any other expenses, charges or costs that the Association may incur or expend pursuant hereto. As used herein, the terms "repairing, replacing and restoring" means to repair, replace or restore deteriorated or damaged portions of the then-existing decorating, facilities, structural or mechanical components, interior or exterior surfaces or energy systems and equipment to their functional equivalent prior to the deterioration or damage.

j. The repair, replacement or restoration of a Common Element may result in an improvement over the original quality of such Common Element or facilities. Unless the improvement is mandated by law or is an emergency as defined in Subsection 18(a)(8)(iv) of the Act, if the improvement results in a proposed expenditure exceeding five percent (5%) of the Annual Budget, the Board, upon Written petition by the Unit Owners representing twenty percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board's action to approve such expenditure, shall call a meeting of Unit Owners within thirty (30) days of the date of delivery of such petition to consider the expenditure. Unless a Majority of the total votes of the Unit Owners are cast at this meeting to reject the expenditure, the Board's decision to make the expenditure is ratified. The Board may ratify and confirm actions of the Board taken in response to an emergency as defined in Subsection 18(a)(8)(iv) of the Act and the Board shall give notice to the Unit Owners of the occurrence of the emergency within seven (7) business days after the emergency occurs and shall provide the general description of the actions taken to address the event with seven (7) business days after the emergency event.

k. Assessments for additions and alterations to the Common Elements or to Association-owned Property not included in the adopted Annual Budget shall be separately assessed and are subject to approval of two-thirds (2/3) of the total votes of all Unit Owners (unless the additions and alterations are mandated by law or constitute an emergency as defined in Subsection 18(a)(8)(iv) of the Act).

l. Additions and alterations to the Common Elements having a total cost in excess of \$5,000 shall require the prior approval of the Unit Owners representing at

least sixty-six and two-thirds percent (66 2/3%) of the total vote. The foregoing expenditure limitation does not apply to additions and alterations which are mandated by law, additions and alterations which constitute an emergency as defined in Subsection 18(a)(8)(iv) of the Act and/or the repair, replacement and/or restoration of Common Elements.

Section 6. Annual Budget.

- a. Each year on or before November 1st, Not less than 30 day days prior to start of each fiscal year, the Board shall estimate the annual budget of Common Expenses ("Annual Budget"), including the total amount required for the cost of wages, materials, insurance, services and supplies that will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a Capital Reserve for contingencies and replacements (as hereinafter specified) and each Unit Owner's proposed Common Expense assessments, together with an indication of which portions of the Annual Budget are intended for such Reserves, capital expenditures or repairs or payment of real estate taxes. The Board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least thirty (30) twenty-five (25) days before the adoption thereof. The Association shall give Unit Owners notice as provided in Article IV, Section 4 of these By-Laws of any meeting of the Board concerning the adoption of the proposed Annual Budget and regular assessments pursuant thereto or to adopt a separate (special) assessment.
- b. If said Annual Budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessment or any nonrecurring Common Expense or any Common Expense not set forth in the Annual Budget as adopted, the Board may, at any time, levy a separate (special) assessment which shall be separately assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements and which may be payable in one (1) lump sum or such installments as the Board may determine. The Board may adopt separate assessments payable over more than one (1) fiscal year, the entire amount of which shall be deemed considered and authorized in the first fiscal year in which the assessment is approved. The Board shall serve notice of such further assessment on all Unit Owners (as provided in Article IV, Section 4 of these By-Laws) by a statement in Writing, giving the amount and reasons therefor, and such further assessment shall become effective and shall be payable at such time or times and on such other terms as may be determined by the Board. All Unit Owners shall be obligated to pay the separate assessment.
- c. If an adopted Annual Budget or any separate (special) assessment would result in the sum of all assessments payable in the current fiscal year exceeding one hundred fifteen percent (115%) of the sum of all regular and separate assessments payable during the preceding fiscal year, the Board, upon Written petition by the Unit Owners representing twenty percent (20%) of the votes of the Association delivered to the Board within fourteen (14) days of the Board action, shall call a meeting of the Unit Owners within thirty (30) days of the date of delivery of the petition to consider the budget or separate assessment. Unless a Majority of the total votes of the Unit Owners are cast at a meeting to reject the Annual Budget or separate assessment, it is ratified. In determining whether separate assessments together with regular assessments exceed one hundred

fifteen percent (115%) of assessments in the preceding fiscal year, any separate assessment for expenditures relating to emergencies or mandated by law shall not be included in the computation, and the Board may approve such assessment without being subject to the Unit Owner veto procedure set forth in this subsection. As used herein, the term "emergencies" means immediate dangers to the structural integrity of the Common Elements or to the life, health, safety or property of the Unit Owners.

d. The Annual Budget shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. Each Unit Owner shall be obligated to pay to the Association, or as it may direct, the portion of the Annual Budget assessed to such Unit Owner in equal monthly installments on or before the first (1st) day in January of the ensuing year and on the first (1st) day of each and every month of said year.

e. The failure or delay of the Association to prepare or serve the Annual Budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owners' obligation to pay the maintenance and other costs and necessary Reserves as herein provided, whenever the same shall be determined. In the absence of any annual or adjusted budget, the Unit Owners shall continue to pay the monthly assessment charges at the then-existing monthly rate established for the previous period until the monthly assessment payment that is due more than ten (10) days after such new Annual Budget shall have been mailed or delivered to the Unit Owners.

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

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

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

Section 7. Annual Accounting.

The Association shall supply annually to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid, together with an indication of which portions of the Annual Budget were for Reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment and showing the net excess or

deficit of income over expenditures plus Reserves. Any amount accumulated in excess of the amount required for actual expenses and Reserves shall be credited according to each Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due under the current year's Annual Budget, until exhausted. Any net shortage shall be added according to each Unit Owner's percentage of ownership in the Common Elements as an adjustment to the installments due under the current year's estimate in the succeeding six (6) months after rendering of the accounting, subject to the provisions of Section 8 of these By-Laws.

Section 8. Reserves.

a. The Association shall build up and maintain reasonable Reserves for operations, contingencies and replacements. Extraordinary expenditures not originally included in the Annual Budget that may become necessary during the year may be charged first against such Reserves. In addition, the Association or the Board shall have the right to segregate all or any portion of the Reserves for any specific replacement or contingency on such conditions as the Board deems appropriate.

b. The Annual Budget shall provide for reasonable Reserves for capital expenditures and deferred maintenance for repair or replacement of the Common Elements. To determine the amount of Reserves appropriate for the Association, the Board shall take into consideration the following: (i) the repair and replacement cost and the estimated useful life of the property the Association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the Building and Common Elements, and energy systems and equipment; (ii) the current and anticipated return on investment of Association funds; (iii) any independent professional reserve study the Association may obtain; (iv) the financial impact on Unit Owners, and the market value of the Units, of any assessment increase needed to fund Reserves; and (v) the ability of the Association to obtain financing or refinancing.

c. Anything to the contrary in the foregoing notwithstanding, the Association may elect to waive in whole or in part the Reserve requirements of this Section by a vote of not less than two-thirds (2/3) of the total votes of the Association. In the event the Association elects to waive all or part of the Reserve requirements of this Section, such fact must be disclosed after the meeting at which such waiver occurs by the Association in the financial statements of the Association and, highlighted in bold print, in the response to any request of a prospective purchaser for the information prescribed under Section 22.1 of the Act, and no member of the Board or the managing agent of the Association shall be liable, and no cause of action may be brought for damages against these parties, for the lack or inadequacy of Reserve funds in the Annual Budget. If the Association elects to waive all or part of such Reserve requirements, the Association may by a vote of not less than two-thirds (2/3) of the total votes of the Association elect to again be governed by the Reserve requirements of this Section.

Section 9. Default in Payment.

a. On or before the first (1st) day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his or her respective

monthly assessment for the Common Expenses, one-twelfth (1/12) of his or her proportionate share of the Common Expenses for such year as shown on the budget. Such proportionate share for each Unit Owner shall be in accordance with his or her respective ownership interest in the Common Elements.

b. If any Unit Owner shall fail or refuse to make any payment of the Common Expenses or the amount of any unpaid fine when due, the amount thereof together with interest, late charges, attorney fees incurred enforcing the covenants of the Condominium Instruments, Rules and Regulations of the Association, or any applicable statute or ordinance, and costs of collections shall constitute a lien on the interest of the Unit Owner in the Property prior to all other liens and encumbrances, Recorded or unrecorded, except only (i) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this State and other State or federal taxes which by law are a lien on the interest of the Unit Owner prior to preexisting Recorded encumbrances thereon; and (ii) encumbrances on the interest of the Unit Owner Recorded prior to the date of such failure or refusal which by law would be a lien thereon prior to subsequently recorded encumbrances. Any action brought to extinguish the lien of the Association shall include the Association as a party.

c. If a Unit Owner is in default in the monthly payment of the aforesaid assessments or other charges imposed pursuant to the Declaration, these By-Laws, the Association's Rules and Regulations and resolutions and/or applicable law for fifteen (15) days or more, the Association shall assess a service charge of five percent (5%) per month of the balance of the aforesaid assessments, service charges and fines for each month, or part thereof, that said balance, or any part thereof, remains unpaid. Without limitation to any other available remedies, if a Unit Owner is in default in the monthly payment of the aforesaid assessments, service charges and fines imposed pursuant to the Declaration, these By-Laws, the Association's Rules and Regulations and resolutions and/or applicable law for sixty (60) days or more, the Association shall, (i) accelerate the payment of the annual assessment amount remaining unpaid by such Unit Owner; (ii) bring an action against the Unit Owner personally obligated to pay the same; (iii) enforce and foreclose any lien which it has or which may exist for its benefit; and/or (iv) file an action to terminate the Unit Owner's right of possession pursuant to the forcible entry and detainer provisions of the Illinois Code of Civil Procedure. Any and all costs and expenses incurred by the Association in connection with or attributable to a Unit Owner's delinquency, including, without limitation, court costs, recording fees, attorneys' fees, title company charges, management company charges, and other costs of labor and materials (regardless of whether litigation is initiated by any party) shall be added to the amount due and shall be included in any judgment against the Unit Owner. Without limiting the foregoing, fees charged by the Association's property manager or managing agent pertaining to the collection of a Unit Owner's financial obligations to the Association (including, without limitation, collection account "turnover fees," eviction fees and court appearance fees) shall be added to and deemed a part of the Unit Owner's respective share of the Common Expenses and shall constitute a lien on the interest of such Unit Owner in the Property.

d. The purchaser of a Unit at a judicial foreclosure sale, or a mortgagee who receives title to a Unit by deed in lieu of foreclosure or judgment by common law strict foreclosure or otherwise takes possession pursuant to a court order under the Illinois Mortgage Foreclosure Law, shall have the duty to pay the Unit's proportionate share of the Common Expenses for the Unit assessed from and after the first day of the month after the date of the judicial foreclosure sale, delivery of the deed in lieu of foreclosure, entry of a judgment in common law strict foreclosure, or extinguishment of any lien created pursuant to Article VII, Section 9(b) by virtue of the failure or refusal of a prior Unit Owner to make payment of Common Expenses, where the judicial foreclosure sale has been confirmed by order of the court, a deed in lieu thereof has been accepted by the lender, or a consent judgment has been entered by the court.

e. The purchaser of a Unit at a judicial foreclosure sale, other than a mortgagee, or a purchaser of a Unit from a mortgagee who acquired title through a judicial foreclosure, a consent foreclosure, a common law strict foreclosure, or the delivery of a deed in lieu of foreclosure, shall have the duty to pay to the Association an amount not to exceed the total of the unpaid regular monthly assessments for the Unit for the nine (9) month period immediately preceding the date of the judicial foreclosure sale, delivery of the deed in lieu of foreclosure, entry of a judgment in common law strict foreclosure or the taking of possession pursuant to a court order under the Illinois Mortgage Foreclosure Law. The amount due may include any attorney's fees incurred by the Association due to the nonpayment of the assessments during the same nine (9) month period and in no event shall the total amount due exceed the sum of nine (9) months of regular monthly assessments.

f. The purchaser of a Unit at a judicial foreclosure sale, other than the mortgagee shall pay to the Association amounts incurred pursuant to Article VII, Section 9(e) above. The statement of assessment account issued by the Association to a Unit Owner pursuant to Section 18(i) of the Act and the disclosure statement issued to a prospective purchaser pursuant to Section 22.1 of the Act, shall state the amount required by Article VII, Section 9(e) above.

g. A lien for Common Expenses shall be in favor of the members of the Board and their successors in office and shall be for the benefit of all other Unit Owners. Notice of the lien may be recorded by the Board or any Unit Owner. Upon the Recording of such notice, the lien may be foreclosed by an action brought in the name of the Board in the same manner as a mortgage of real property. The Board, acting on behalf of the Unit Owners, shall have the power to bid on the interest so foreclosed at the foreclosure sale, and to acquire and hold, lease, mortgage and convey it.

h. No Unit Owner may assign, delegate, transfer, surrender, waive or avoid the duties, responsibilities and liabilities of a Unit Owner under the Act, the Amended and Restated Declaration, these By-Laws and the articles of incorporation or Rules and Regulations and resolutions of the Association, including, but not limited to, the liability for the assessments provided for herein, by nonuse of the Common Elements or abandonment of his or her Unit or in any other manner. Any such attempted assignment, delegation, transfer, surrender or avoidance shall be deemed void.

ARTICLE VIII

Contracts, Checks, Deposits and Gifts

Section 1. Contracts.

The Board may authorize any officer or officers or 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 in the name of and on behalf of the Association. 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 of the Association and attested to by the Secretary of the Association.

Section 2. Checks, Drafts and Other Instruments.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, employee or employees or 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 other direction, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

Section 3. Deposits.

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 may select.

Section 4. Gifts.

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 IX

Books and Records

Section 1. Maintaining Books and Records.

The Board shall keep and maintain the following records, or true and correct copies of these records, at the Association's principal office:

- a. The Declaration, By-Laws and Plat and any amendments thereto, any Rules and Regulations adopted by the Board, the articles of incorporation of the Association and all amendments thereto;
- b. Minutes of all meetings of the Association and the Board, for the immediately preceding seven (7) years;

- c. All current policies of insurance of the Association;
- d. All contracts, leases and other agreements then in effect to which the Association is a party or under which the Association or the Unit Owners have obligations or liabilities;
- e. A current listing of the names, addresses and weighted vote of all Unit Owners entitled to vote;
- f. Ballots and proxies related thereto for all matters voted on by the Unit Owners during the immediately preceding twelve (12) months, including, but not limited to, the election of members of the Board, provided, however, that in the event the Board adopts Rules and Regulations for secret ballot election as provided in the Act and these By-Laws, then, unless directed by court order, only the voting ballot excluding the Unit number shall be subject to inspection and copying;
- g. The books and records of account for the Association's current and ten (10) immediately preceding fiscal years, including but not limited to, itemized and detailed records of all receipts and expenditures; and
- h. Such other records of the Association as are available for inspection and examination by Unit Owners pursuant to Section 19 of the Act.

Section 2. Availability for Examination.

Any Unit Owner, in Person or by agent, and at any reasonable time or times, at the Association's principal office, shall have the right to inspect, examine and make copies of the records described in Article IX, Section 1, above, upon having first submitted a Written request to the Board or its authorized agent stating with particularity the records sought to be examined. Notwithstanding the foregoing, the written request to inspect, examine and make copies of records described in Article IX, Subsections 1(d), 1(e), 1(f) and 1(g) herein must include a proper purpose for the request. Failure of the Board to make available all records so requested within thirty (30) days of receipt of the Unit Owner's Written request shall be deemed a denial. Any Unit Owner who prevails in an enforcement action to compel examination of records described in Article IX Subsections 1(a), 1(b) and 1(c) herein shall be entitled to recover reasonable attorneys' fees and costs from the Association. In an action to compel examination of records described in Article IX, Subsections 1(d), 1(e), 1(f) and 1(g) herein, the burden of proof is upon the Unit Owner to establish that the Unit Owner's request is based on a proper purpose.

Any Unit Owner who prevails in an enforcement action to compel examination of records described in Article IX, Subsections 1(d), 1(e), 1(f) and 1(g) herein shall be entitled to recover reasonable attorneys' fees and costs from the Association only if the court finds that the Board acted in bad faith in denying the Unit Owner's request.

Section 3. Costs.

The actual cost to the Association of retrieving and making requested records available for inspection and examination under this Article shall be charged by the Association to the requesting Unit Owner. If a Unit Owner requests copies of records requested under this Article, the actual costs to the Association of reproducing the records shall also be charged by the Association to the requesting Unit Owner.

Section 4. Confidential Documents.

Notwithstanding anything to the contrary stated in the provisions of this Article, unless otherwise directed by court order, the Association need not make the following records available for inspection, examination or copying by the Unit Owners:

- a. Documents relating to appointment, employment, discipline, or dismissal of Association employees;
- b. Documents relating to actions pending against or on behalf of the Association or the Board in a court or administrative tribunal;
- c. Documents relating to actions threatened against, or likely to be asserted on behalf of the Association or the Board in a court or administrative tribunal;
- d. Documents relating to Common Expenses or other charges owed by a Unit Owner other than the requesting Unit Owner; and
- e. Documents provided to the Association in connection with the lease, sale or other transfer of a Unit by a Unit Owner other than the requesting Unit Owner.

ARTICLE X

Fiscal Year

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

ARTICLE XI

Seal

The Board may provide a corporate seal in the form of a circle and having inscribed thereon the name of the Association and the words "Corporate Seal, Illinois."

ARTICLE XII

Notice

Except as otherwise provided herein or as required by law, any notice required to be sent to any Unit Owner under the provisions of the Amended and Restated Declaration, the By-Laws or applicable law may be Delivered by Electronic Transmission or other Acceptable Technological Means provided the Unit Owner has authorized that notices

be sent by such means. Service of notice by Electronic Transmission or other Acceptable Technology Means shall be deemed effective when sent by the Association and need not be received by the Unit Owner to be effective. All other notices may be Delivered by United States Registered or Certified mail or in Person with Written acknowledgement of the receipt thereof. Notices Delivered by United States Registered or Certified Mail shall be deemed effective upon deposit in the United States mail with proper postage prepaid to the last known address of such Unit Owner as it appears in the records of the Association at the time of such mailing.

ARTICLE XIII

Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of the Illinois General Not For Profit Corporation Act of 1986 or under the provisions of the articles of incorporation of the Association, these By-Laws or the Declaration, a waiver thereof (subject to all the provisions of those instruments) in Writing signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

Liability of Board Members and Officers and Indemnification

- a. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board, against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such directors, Board, officers or committee members, on behalf of the Unit Owners, or arising out of their status as directors, Board, officers or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. 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) reasonably incurred in connection with the defense of any claim, action, suit or proceedings, whether civil, criminal, administrative or other, in which any such director, officer, Board or committee member may be involved by virtue of such persons being or having been such director, officer, Board or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceedings to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such Person being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Board member or officer may be entitled.
- b. To the extent that the Board, director, officer or committee member appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any

claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

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

d. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers or members of such committees, or out of the aforesaid indemnity in favor of the directors, Board, officers or members of such committees, shall be limited to such proportion of the total liability thereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the directors, Board, officers and members of such committees or by the managing agent, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article XIV shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of the members of the Association or disinterested members of the Board or otherwise, both as to action in his or her official capacity and as to action in another capacity while hold such office. Such right to indemnification shall continue as to a Person or entity that has ceased to be member of the Board, officer of the Association or a member of such committee, and shall insure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such Person or entity.

ARTICLE XV

Construction

Nothing herein above contained shall in any way be construed as altering, amending or modifying the Amended and Restated Declaration. The Amended and Restated Declaration, the articles of incorporation of the Association, these By-Laws and the Rules and Regulations and resolutions of the Association shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. The terms and provisions of the Act shall control in the event of any inconsistency between the Act, on the one hand, and the Amended and Restated Declaration, the articles of incorporation and/or these By-Laws, on the other hand. The terms and provisions of the Amended and Restated Declaration shall control in the event of any inconsistency between the Amended and Restated Declaration, on the one hand, and the articles of incorporation and/or these By-Laws, on the other hand. All words and terms used herein that are also used in the Amended and Restated Declaration shall have the same

meaning as provided for such words and terms in the Amended and Restated Declaration.

ARTICLE XVI

Amendments to By-Laws

The provisions of these By-Laws may be altered, amended or rescinded by a Written instrument setting forth such alteration, amendment or rescission, signed and acknowledged by the President or Vice-President and the Secretary of the Association, and upon the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of the Unit Owners at a regular or special meeting of the members called for such purpose, and containing an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained. Any such alteration, amendment, or rescission shall be valid and effective only upon the Recording thereof in the Office of the Recorder of Deeds of Lake County, Illinois. Any such Recorded alteration, amendment, or rescission shall be maintained in the corporate records of the Association. No provision in these By-Laws may be altered, amended or rescinded so as to conflict with the provisions of the Act.