

*Correct copy*

DECLARATION OF CONDOMINIUM OWNERSHIP

FOR

THE COLONIAL SQUARE OF ARLINGTON HEIGHTS CONDOMINIUM ASSOCIATION  
904, 906, 910, 912, 914 WEST ST. JAMES STREET AND 403 NORTH  
KENNICOT AVENUE, ARLINGTON HEIGHTS, ILLINOIS

A Not-For-Profit Corporation

THIS DECLARATION made and entered into by the FIRST NATIONAL BANK OF CICERO as Trustee under Trust Agreement dated June 11, 1973 and known as Trust No. 3866 and not individually, for convenience hereinafter referred to as the "Trustee".

WITNESSETH: THAT,

WHEREAS, the Trustee is the legal title holder of the following described real estate located in the County of Cook, and State of Illinois and described as:

Lots One (1), Two (2) and Three (3) in REINERT'S SUBDIVISION in ARLINGTON HEIGHTS, being a Sub-division of part of the West Half (1/2) of the South East Quarter (1/4) of Section 30, Township 42 North, Range 11, East of the Third Principal Meridian, according to Plat thereof registered in the office of the Registrar of Titles of Cook County, Illinois, on December 12, 1962, as Document Number 2069813.

WHEREAS, the Trustee intends to and does hereby submit the above-described real estate together with all buildings, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "Property") to the provisions of the Condominium Property Act of the State of Illinois; and

WHEREAS, the beneficiaries of the Trustee are further desirous of establishing for their own benefit and for the mutual benefit of all future owners or occupants of the Property, or any part thereof, certain easements and rights in, over and upon said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, the beneficiaries of the Trustee desire and intend that the Unit owners, mortgagees, occupants, and all other persons hereinafter acquiring any interest in said Property shall at all times enjoy the benefits of and shall hold their interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the co-operative aspect of such Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

NOW, THEREFORE, the FIRST NATIONAL BANK OF CICERO, as Trustee aforesaid and not individually, as the legal title holder of the real estate hereinbefore described, and for the purposes above set forth, declares as follows:

1. Definitions. As used herein, unless the context otherwise requires:

(a) "Act" means the "Condominium Property Act" of the State of Illinois.

(b) "Association" means the COLONIAL SQUARE OF ARLINGTON HEIGHTS CONDOMINIUM ASSOCIATION, an Illinois not-for-profit corporation.

(c) "Declaration" means this instrument, by which the Property is submitted to the provisions of the Act, as hereinafter provided, and such Declaration as from time to time amended.

(d) "Parcel" means the parcel or tract of real estate, described above in this Declaration, submitted to the provisions of the Act.

(e) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the unit owners, submitted to the provisions of the Act.

(f) "Unit" means a part of the Property, including one or more rooms and situated on one or more floors or a part or parts thereof, designed or intended for independent use as a dwelling, so specified as a unit and listed on Exhibit B attached hereto, as set forth on the Plat attached hereto as Exhibit A. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes as shown on the Plat; provided, however, that no structural components of the building in which such Unit is located, and no pipes, wires, conduits, ducts, flues, shafts, or public utility lines situated within such Unit and forming part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of said Unit.

(g) "Common Elements" means all of the Property, except the individual Units, and shall include, but shall not be limited to, the land, foundations, walls, hallways, stairways, entrances and exits, laundry and storage areas, basements, boilers, roof, master television antenna system (whether leased or owned), hot water heaters, pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only said Unit), public utility lines, structural parts of the Building, outside walks and driveways, landscaping, and all other portions of the Property except the individual Units. Structural columns located within the boundaries of a Unit shall be part of the Common Elements.

(h) "Limited Common Elements" means a portion of the Common Elements contiguous to and serving exclusively a single Unit or adjoining Units as an inseparable appurtenance thereto, including specifically, but not by way of limitations, such portions of the perimeter walls, floors, and ceilings, doors, vestibules, windows, and entryways, and all associated fixtures and structures therein as lie outside the unit boundaries.

(i) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(j) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit.

(k) "Majority" or "Majority of the Unit Owners" means the owners of more than fifty percent (50%) of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners means that percentage of undivided ownership of the Common Elements.

(l) "Plat" means the plats of survey of the Parcel and of all Units in the Property submitted to the provisions of the Act, said Plat being attached hereto as Exhibit A and by this reference made a part hereof and recorded simultaneously with the recording of this Declaration.

(m) "Record or Recording" refers to record or recording in the Office of the Registrar of Titles in Cook County, Illinois.

(n) "Building" means the buildings located on the Parcel and forming part of the Property and containing the Units, as shown by the surveys of the respective floors of said Buildings included in the Plat attached hereto as Exhibit A.

(o) "Occupant" means a person or persons, other than a Unit Owner, in possession of a Unit.

2. Submission of Property to the Act. The Trustee as the owner in fee simple of the Parcel, expressly intends to and by recording this Declaration does hereby submit the Parcel and the Property to the provisions of the Condominium Property Act of the State of Illinois.

3. Plat. The Plat sets forth the measurements, elevations, locations and other data, as required by the Act, with respect to (1) the Parcel and its exterior boundaries; (2) the Buildings and each floor thereof; and (3) each Unit of the Buildings and its horizontal and vertical dimensions.

4. Units. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument shall legally describe a Unit by its identifying number or symbol as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act.

5. (a) Association of Unit Owners and Administration and Operation of the Property. There has been formed an association having the name THE COLONIAL SQUARE OF ARLINGTON HEIGHTS CONDOMINIUM ASSOCIATION, an Illinois not-for-profit corporation, which Association shall be the governing body for all of the Unit Owners for the maintenance, repair, replacement, administration and operation of the Property as provided in the Act and in this Declaration and in the By-Laws. The Board of Directors of the Association (hereinafter sometimes referred to as the "Board") shall constitute the Board of Managers provided for in the Act. The By-Laws for the Association shall be the By-Laws appended hereto as Exhibit C and made part hereof. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of the Declaration and By-Laws. Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, and such membership

shall automatically terminate when he ceases to be a Unit Owner, and upon the transfer of his ownership interest the new Unit Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. The aggregate number of votes for all members of the Association shall be One Hundred (100), which shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements as set forth in Exhibit B hereto.

(b) Board of Directors. The Board of Directors shall consist of five (5) members. Members shall be elected each year at the annual meeting of Unit Owners for three year terms. Their terms shall be staggered. After the first election, the members shall determine by lot, which member shall serve for terms of 1, 2, and 3 years with two members being selected for 3 year terms and two members being selected for two year terms. At each election thereafter, the members elected to succeed those whose terms have expired, shall hold office for the full three year term from and until their respective successors are elected and qualified. Three (3) members of the Board shall constitute a quorum. Each director shall be a Unit Owner or the spouse of a Unit Owner (or if a Unit Owner is a corporation, partnership, or trust, a director may be an officer, partner or beneficiary of such Unit Owner), except for directors nominated or designated by the Trustee. If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant. Any vacancy occurring on the Board may be filled by a majority vote of the remaining members thereof. Any director may be removed from office by a vote of at least two thirds of the total ownership of the Common Elements. Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Unit Owners.

(c) Non-liability of Directors. The Directors and officers of the Association shall not be personally liable for any loss to the Association or any of its members while performing their duties as such Directors or officers. The Association shall indemnify every Director or officer, his heirs, executors and administrators against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association.

6. Board's 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 the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all of such Unit Owners.

7. Ownership of the Common Elements. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in the schedule attached hereto as Exhibit B and by this reference made a part hereof as though fully set forth herein. The aforesaid percentages of ownership interest have been computed and determined in accordance with the Act, and shall remain constant unless hereafter changed by recorded Amendment to this Declaration consented to in writing by all Unit Owners. Said ownership interests in the Common Elements shall be undivided interests, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership as set forth

in Exhibit B. The ownership of each Unit and of the Unit Owner's corresponding percentage of ownership in the Common Elements shall not be separated or separately conveyed. The undivided interest in the Common Elements and fee title to the respective Unit conveyed therewith, shall not be separated or separately conveyed. The undivided interest in the Common Elements shall be deemed to be conveyed or encumbered with its respective Unit, even though the legal description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit.

8. Use of the Common Elements. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the building occupied pursuant to leases made by or assigned to the Board of Managers), in common with all other Unit Owners, as may be required for the purposes of access and ingress and egress to and use and occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to each Unit Owner, and the agents, servants, tenants, family members, invitees and licensees of each Unit Owner. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving such Unit alone or with adjoining Units. Such rights to use and possess the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act and of this Declaration and the By-Laws herein and the rules and regulations of the Association. The Association shall have the authority to lease or to grant concessions with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws, including specifically, but not by way of limitation for the laundry. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

9. Storage Areas. The storage areas in the building outside of the respective Units, shall be part of the Common Elements and shall be allocated to the respective Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe.

10. Parking. The Board shall have full authority to operate, manage and use for and on behalf of all Unit Owners all parking areas situated on the Property.

11. Common Expenses. Each Unit Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with the Declaration and By-Laws (which expenses are herein sometimes referred to as "common expenses"), including specifically, but not by way of limitation, the maintenance and repair thereof and any and all replacements and additions thereto. Such proportionate share of the common expenses for each Unit Owner shall be in the same ratio as his percentage of ownership in the Common Elements. Payment of common expenses including any prepayment thereof required by contract for sale of a unit shall be in such amounts and at such times as determined in the manner provided by in the By-Laws. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof shall constitute a lien on the interest of such Unit Owner in the Property as provided in the Act, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Unit Owner, owned or held by a bank, insurance company or savings and loan association, except for the amount of the proportionate share of common expenses which

become due and payable from and after the date on which the said mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security) or files suit to foreclose its mortgage, and cause a receiver to be appointed.

12. Mortgages. Each Unit Owner shall have the right, subject to the provisions herein, to make separate mortgages for his respective Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create or cause to be made or created any mortgage or other lien on or affecting the Property or any part thereof, except only to the extent of his Unit and his respective ownership interest in the Common Elements.

13. Separate Real Estate Taxes. Real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements.

14. Insurance. The Board shall have the authority to and shall obtain insurance for the Property exclusive of the additions, improvements and decorating made to the Units by the Unit Owners, against loss or damage by fire and such other hazards as the Board may deem desirable for the full insurable replacement cost of the Common Elements and the Units. Any insurance policy written to cover loss or damage by fire and other hazards shall: (1) be carried in the name of and the proceeds thereof shall be payable to the Board or the Association, as the trustee for each of the Unit Owners in direct ratio to their respective percentages of ownership in the Common Elements as set forth in the Declaration; (2) contain standard mortgage clause indorsements in favor of the mortgagee or mortgagees of each unit and the undivided interest in the Common Elements appurtenant to each unit; (3) contain an endorsement to the effect that such policy shall not be terminated for non-payment of premiums without at least ten (10) days prior written notice to the mortgagee of each unit; and (4) contain, if possible, a waiver of subrogation rights by the insurer against individual Unit Owners. Premiums for such insurance shall be common expenses. Application of the insurance proceeds to reconstruction and disposition of the Property where the insurance proceeds are insufficient for reconstruction, shall be as provided in the act.

The Board shall also have the authority to and shall obtain comprehensive public liability insurance, in such limits as it shall deem desirable, and workmen's compensation insurance and other liability insurance as it may deem desirable, insuring each Unit Owner, Mortgagee of record, if any, the Association, its officers, Board and employees, the Trustee, the manager and managing agent of the Property, if any, from the liability in connection with the Common Elements. Premiums for such insurance shall be common expenses. The Board shall retain in safe-keeping the public liability policies for twenty-two (22) years after the expiration date of the policy.

Each Unit Owner shall be responsible for his own insurance on the contents of his own Unit, and his additions and improvements thereto and decorating and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability to the extent not covered by the liability insurance for all of the Unit Owners obtained as part of the common expenses as above provided.



15. Maintenance, Repairs and Replacements. Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit. Maintenance, repairs and replacements of the Common Elements shall be furnished by the Association as part of the common expenses, subject to the rules and regulations of the Association; provided, that at the discretion of the Board, maintenance, repairs and replacements of the Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby and further, at the discretion of the Board, it may direct such Unit Owners in the name and for the account of such Unit Owners to arrange for such maintenance, repairs and replacements, to pay the cost thereof with the funds of the Unit Owner, and to procure and deliver to the Board such lien waivers and contractor's and sub-contractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may rise therefrom.

If, due to the act or neglect of a Unit Owner, or of a member of his family or household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the common expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by the Association's Insurance.

The Authorized representatives of the Board, or of the manager or managing agent for the Building, shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs, or replacements of or to the Common Elements and the Limited Common Elements or any equipment, facilities or fixtures affecting or serving other Units, Common Elements and the Limited Common Elements.

16. Alterations, Additions or Improvements. No alterations of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as Common Expenses alterations, additions and improvements of the Common Elements as made and provided in the By-Laws. Any Unit Owner may make alterations within the Unit of the Unit Owner or any additions or improvements within such Unit without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, or the Property as a result of such Unit alteration, additions or improvements.

17. Decorating. Each Unit Owner shall furnish and be responsible for at his own expense, all of the decorating within his own Unit from time to time, including painting, wall papering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, and such Unit Owner shall maintain such interior surfaces in good condition as his sole expense as may be required from time to time, which said maintenance and use shall be subject to the rules and regulations of the Association, and each unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the

Units as above provided), and any redecorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements by the Association shall be furnished by the Association as part of the common expenses. The interior and exterior surfaces of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Unit Owner.

18. Encroachments. If any portions of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portions of the Common Elements, or if any units shall actually encroach upon another unit, as the Common Elements and Units are shown by the surveys comprising the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved to the extent of such encroachments so long as the same shall exist.

19. Sale or Lease by a Unit Owner - First Option to Association. If any Unit Owner other than the Trustee shall desire at any time to sell or lease his Unit, he shall first give the Association at least thirty (30) days prior written notice of the proposed sale or lease, which notice shall state the name and address and financial and character references of the proposed purchaser or lessee and shall contain a copy of the proposed lease or contract for sale. During the period of thirty (30) days following the receipt by the Association of such written notice, the Association shall have the first right at its option to purchase or lease such Unit Ownership upon the same terms as the proposed sale or lease described in such notice.

If the Association shall give written notice to such Unit Owner within said thirty (30) day period that it has elected not to exercise such option, or if the Association shall fail to give written notice to such Unit Owner within said thirty (30) day period that it does or does not elect to purchase or lease such Unit Ownership upon the same terms as herein provided, then such Unit Owner may proceed to close said proposed sale or lease transaction on the same terms offered to the association at any time within the next ninety (90) days thereafter; and if he fails to close said proposed sale or lease transaction within said ninety (90) days, his Unit Ownership shall again become subject to the Association's right of first option as herein provided.

If the Association shall give written notice to such Unit Owner within said thirty (30) day period of its election to purchase or lease such Unit Ownership upon the same terms as the proposed sale or lease described in said written notice to the Association, then such purchase or lease by the Association shall be closed upon the same terms as such proposed sale or lease.

The Notices referred to herein shall be given in the manner hereinafter provided for the giving of notices.

The Board shall have the authority, on behalf of and in the name of the Association, to elect not to exercise such option and to give written notice of such election. A certificate executed by the president or secretary of the Association, certifying that the Association by its Board has elected not to exercise such option to purchase or lease such Unit Ownership upon the terms of such proposed sale or lease, shall be conclusive evidence of such election by the Association and of the compliance with the provisions hereof by the Unit Owner proposing to make such proposed sale or lease. Such certificate shall be furnished to such Unit Owner upon his compliance with



the provisions hereof.

If the Board shall adopt a resolution recommending that the Association shall exercise its option to purchase or lease such Unit Ownership upon the terms of such proposed sale or lease, the Board shall promptly call a meeting of all of the Unit Owners for the purpose of voting upon such option, which meeting shall be held within said thirty (30) day period. If Unit Owners owning not less than eighty percent (80%) of the total ownership of the Common Elements, by affirmative vote at such meeting, elect to exercise such option to make such purchase or lease, then the Board shall promptly give written notice of such election as herein provided. In such event, such purchase or lease by the Association shall be closed and consummated, and, for such purpose, the Board shall have the authority to make such mortgage or other financing arrangements, and to make such assessments proportionately among the respective unit Owners, and to make such other arrangements, as the Board may deem desirable in order to close and consummate such purchase or lease of such Unit Ownership by the Association.

If the Association shall make any such purchase or lease of a Unit Ownership as herein provided, the Board shall have the authority at any time thereafter to sell, lease or sublease such Unit Ownership on behalf of the Association upon such terms as the Board shall deem desirable, without complying with the foregoing provisions relating to the Association's right of first option, and all of the net proceeds or deficit therefrom shall be applied among all of the Unit Owners in accordance to their percentage (%) of ownership in the Common Elements.

If a proposed lease of any Unit Ownership is made by any Unit Owner, after compliance with the foregoing provisions, a copy of the lease as and when executed shall be furnished by such Unit Owner to the Board and the lessee thereunder shall be bound by and be subject to all of the obligations of such Unit Owner with respect to such Unit Ownership as provided in this Declaration and the By-Laws, and the lease shall expressly so provide. The Unit Owner making any such lease shall not be relieved thereby from any of his obligations. Upon the expiration or termination of such lease, or in the event of any attempted subleasing thereunder, the provisions hereof with respect to the Association's right of first option shall again apply to such Unit Ownership.

The provisions hereof with respect to the Association's right of first option shall not apply to sales or leases made by the Trustee.

If any sale or lease of a Unit Ownership is made or attempted by any Unit Owner without complying with the foregoing provisions, such sale or lease shall be subject to each and all of the rights and options of the Association hereunder and each and all of the remedies and actions available to the Association hereunder.

The foregoing provisions with respect to the Association's right of first option as to any proposed sale or lease shall be and remain in full force and effect until the Property as a whole shall be sold or removed from the provisions of the Act, as provided in the Act, unless sooner rescinded or amended by the Unit Owners in the manner herein provided for amendments of this Declaration. The Board may adopt rules and regulations from time to time, not inconsistent with the foregoing provisions, for the purpose of implementing and effectuating the foregoing provisions.

The Board shall have the power and authority to bid for

and purchase any Unit Ownership at a sale pursuant to a mortgage foreclosure, or a foreclosure of the lien for common expenses under the Act, or at a sale pursuant to an order or direction of a court, or other involuntary sale, upon the consent or approval of Unit Owners owning not less than eighty percent (80%) of the total ownership of the Common Elements. The Board shall have the power and authority to finance such purchase of a Unit by mortgage, common assessment, or any other financing arrangement that shall be deemed expedient.

20. Use and Occupancy Restrictions. 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 or more adjoining Units used together shall be used as a residence or such other uses permitted by this Declaration and for no other purpose, except that attorneys, or certified public accountants, may use their residence as an ancillary or secondary facility to an office established elsewhere. That part of the Common Elements separating any two or more adjoining Units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining Units, provided all expense of making such alterations are paid in full by the Unit Owner. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library therein; (b) keeping his personal business or professional records or accounts therein; or (c) handling his personal business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restriction.

The Common Elements shall be used only for access, ingress and egress to and from the respective Units by the Unit Owners residing therein and their invitees, licensees, household help and other authorized visitors, and for such other purposes which are incidental to the residential use of the Units; provided, however, the laundry room, and other special areas shall be used for the purpose approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner.

21. Display of Model Units by Declarant. During the period of marketing the Units of the Property by the Beneficiaries of the Trust, the Beneficiaries of the Trust, their contractors and sub-contractors, and their respective agents and employees, shall be entitled to access, ingress, and egress to said Buildings and Property as may be required in connection with said marketing. During the period in which sales of Units by the Declarant are in process, but in no event for any period extending beyond thirty (30) months from the registration or filing of the Declaration, the Beneficiaries of the Trust may occupy or grant permission to any person or entity to occupy with or without rental, as determined by the Declarant, one or more Units for business or promotional purposes, including clerical activities, sales offices, model Units for Display and the like; provided that the activities in the Units so occupied do not interfere with the quiet enjoyment of any other Owner or Occupant.

22. Remedies. In the event of any default by any Unit Owner under the provisions of the Act, Declaration, By-Laws or rules and regulations of the Board or the Association,

the Association, or its successors or assigns, or the Board, or its agents, shall have each and all of the rights and remedies which may be provided for in the Act, Forcible Entry and Detainer Act, Declaration, By-Laws or said rules and regulations or which may be available at law, or in equity and may prosecute any action or other proceedings against such defaulting Unit Owner and/or others for enforcement or foreclosure of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, without notice and without regard to the value of such unit or ownership interest or the solvency of such Unit Owner, or for damages or injunction for payment of money and collection thereof, or the right to take possession of the Unit and to rent the Unit and apply the rents received to payment of unpaid assessments and interest accrued thereon, and to sell the same as hereinafter in this paragraph provided, or for any combination of remedies, or for any other relief. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in a final judgment. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and to the related ownership interest in the Common Elements and to immediate possession of the Unit sold, and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the judgment shall so provide, that the purchaser shall take the interest in the property sold subject to this Declaration. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of 8% per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Association shall have a lien for all of the same, as well as for nonpayment of his respective share of the common expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto. In the event of any such default by any Unit Owner, the Association and the Board and the manager or managing agent if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner, and such assessment shall constitute a lien against the defaulting Unit Owner's Unit and his ownership interest in the Common Elements. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or the Board.

If any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate any of the provisions of this Declaration or the By-Laws adopted by the Board; and such violation shall continue for ten (10) days after notice in writing from the Board, or shall occur repeatedly during any ten (10) day period after written notice or request to cure such violation from the Board, then the Board shall have the power to file an action against the defaulting Unit Owner for a judgment or injunction against the Unit Owner or Occupant requiring the defaulting Unit Owner to comply with the provisions of this Declaration or the

By-Laws and granting other appropriate relief including money damages.

23. Amendment. The provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed by Unit Owners owning not less than eighty percent (80%) of the total ownership of common elements and acknowledged; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by said secretary certifying to such mailing is made a part of such instrument.

Notwithstanding the provisions of the foregoing paragraph, if the Act, or this Declaration, or the By-Laws, require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Unit Owners or all lien holders or both as required by the Act or this Declaration.

The change, modification or rescission, whether accomplished under either of the provisions of the preceding two paragraphs, shall be effective upon recording of such instrument in the Office of the Registrar of Titles of Cook County, Illinois; provided, however, that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

24. Notices. Notices provided for in the Act, Declaration or By-Laws shall be in writing and shall be addressed to the Association or Board, or any Unit Owner, as the case may be, at Post Office Box 1054, Arlington Heights, Illinois, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners at such time. Any Unit Owner may also designate a different address or addresses for notices to him by giving written notice of his change of address to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgment of the receipt thereof.

Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the owner or owners whose Unit is subject to such mortgage or trust deed.

25. Severability. If any provision of the Declaration or By-Laws or any section, sentence, clause, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of the Declaration and By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be effected thereby and the remainder of the Declaration or By-Laws shall be construed as if such invalid part was never included therein.

26. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants, or right created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of President of the United States, Richard Nixon, and Governor of Illinois, Daniel Walker.

27. Rights and Obligations. Each grantee of the Trustee, by the acceptance of a deed of conveyance, or each purchaser under any contract for such deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants, running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

28. Land Trustee as Unit Owner. In the event title to any Unit Ownership is conveyed to a land title holding trust, under the terms of which all powers of management operation and control of the Unit Ownership remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Unit Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit Ownership. No claim shall be made against any such titleholding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Unit Ownership and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Unit Ownership.

29. This Declaration is executed by The First National Bank of Cicero, not personally or individually but solely as Trustee as aforesaid and it is expressly understood and agreed by and between the parties hereto, anything in this Declaration to the contrary notwithstanding, that each and all of the covenants, undertakings and agreements in this Declaration contained are made and intended not as personal covenants, undertakings and agreements of The First National Bank of Cicero, or any of its officers, agents or employees, but this Declaration is executed and delivered by the undersigned Trustee solely as Trustee as aforesaid and no personal liability or personal responsibility is assumed by, or shall at any time be asserted or enforced against, The First National Bank of Cicero, its officers, agents, or employees, on account of any covenants, representations, undertakings or agreements in this Declaration contained, or otherwise, either express or implied, all such personal liability, if any, being hereby expressly waived and released, it being understood that anyone claiming by, through or under the Declaration shall look solely to the trust property for the enforcement or collection of any such liability. By way of illustration only and without limitation of the foregoing, it is further understood and agreed that neither the Trustee nor the said The First National Bank of Cicero individually shall have any duty whatsoever with reference to the upkeep, maintenance or repair of said premises and makes no representations with reference to the condition of, or the title to, said premises. The Unit Owners hereunder are hereby charged with knowledge that the Trustee does not, in fact, have possession of nor exercise any dominion over the trust property or the income or avails therefrom. It is further expressly understood and agreed that this Declaration is signed by the undersigned Trustee solely for

30. Separate gas and electric charges. Gas and electric bills are to be separately billed to each owner for his own Unit. Gas and electric charges for the Common Elements shall be Common Expenses. Repair and replacement to furnaces shall be Common Expenses.

FIRST NATIONAL BANK OF CICERO,  
as Trustee  
as aforesaid and not individually`

Attest: \_\_\_\_\_

respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said \_\_\_\_\_ did also then and there acknowledge that he as custodian of the corporate seal of said Bank did affix the said corporate seal of said Bank to said instrument as his own free and voluntary act, and as the free and voluntary act of the said Bank for the uses and purposes therein set forth.

Notary Public



EXHIBIT "B"

PERCENTAGE OF OWNERSHIP INTEREST IN COMMON ELEMENTS  
FOR

CONDOMINIUM UNITS 904, 906, 910, 912, 914 WEST ST. JAMES STREET  
AND 403 NORTH KENNICOTT AVENUE, ARLINGTON HEIGHTS, ILLINOIS

<u>UNIT-NO.</u>	<u>PERCENTAGE OF INTEREST</u>
904 - IN	4.2485
904 - IS	4.1968
904 - 2N	4.2485
904 - 2S	4.1968
906 - 1E	4.1968
906 - 2E	4.1968
906 - 1W	3.7319
906 - 2W	3.7319
910 - 1W	4.2485
910 - 2W	4.2485
910 - 1E	4.1193
910 - 2E	4.1193
912 - 1E	4.2485
912 - 2E	4.2485
912 - 1W	4.1193
912 - 2W	4.1193
914 - 1W	4.3259
914 - 2W	4.3259
914 - 1E	3.8611
914 - 2E	3.8611
403 - 1N	4.3776
403 - 2N	4.3776
403 - 1S	4.3253
403 - 2S	4.3258
	<u>100.0000</u>

EXHIBIT "C"

BY-LAWS

OF

THE COLONIAL SQUARE OF ARLINGTON HEIGHTS CONDOMINIUM ASSOCIATION

ARTICLE I

Members  
(Unit Owners)

Section 1. The Members of The Colonial Square of Arlington Heights Condominium Association shall consist of the respective Unit Owners of the Property known as and located at 904, 906, 910, 912, 914 West St. James and 403 North Kennicott, Arlington Heights, Illinois (called "Property"), in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Unit Owners (these and other terms are used in these By-Laws as they are defined in the Declaration of Condominium Ownership for The Colonial Square of Arlington Heights Condominium Association, which Declaration is recorded in the office of the Registrar of Titles of Cook County, Illinois. The words "member" or "members" as used in these By-Laws means and shall refer to "Unit Owner" or "Unit Owners", as the case may be, as defined in the Declaration. )

Section 2. The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 3. The first Annual Meeting of the Voting Members shall be held upon ten (10) days written notice given by the Declarant when at least eighty per cent (80%) of the Units are sold. Thereafter, there shall be an annual meeting of the Voting Members on the 2nd Tuesday of September of each succeeding year, at 7:30 P.M., on the property or at such other reasonable place or time (not more than thirty (30) days before or after such date), as may be designated by written notice of the Board delivered to the voting members not less than ten (10) days prior to the date fixed for such meeting.

Section 4. The aggregate number of votes for all Unit Owners shall be one hundred (100), which shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. The beneficiaries of the Trustee may exercise the voting rights with respect to Units owned by it.

Section 5. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

## ARTICLE II

### Board of Directors

Section 1. The Board of Directors of the Association (referred to in the Condominium Property Act of the State of Illinois as the "board of managers", and sometimes referred to herein as the "Board") shall consist of five (5) persons. The first Board named in the articles of incorporation of the Association shall hold office as determined by the beneficiaries of the Trustee, until the first annual election. The word "director" as sometimes used herein shall mean a person elected to and serving on the Board.

Section 2. Each director shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a corporation, partnership or trust, a director may be an officer, partner or beneficiary of such Unit Owner), except for directors nominated or designated by the beneficiaries of the Trustee. If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the board shall be deemed vacant.

Section 3. Any vacancy occurring in the Board may be filled by majority vote of the remaining members thereof.

Section 4. An annual meeting of the Board shall be held within ten (10) days following the annual meetings of Unit Owners, Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice in writing to each director, delivered personally or by mail or telegram. Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board without a meeting.

Section 5. Any director may be removed from office by the vote of two-thirds (2/3) of the total ownership of the Common Elements.

Section 6. Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Unit Owners.

Section 7. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and Property;
- (c) to engage the services of a manager or managing agent who shall manage and operate the Property and the Common Elements thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements and to amend such rules and regulations from time to time;

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

(g) to provide for the designation, hiring and removal of employees and other personnel including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel may be the employees of the managing agent);

(h) to appoint subcommittees of the Board and to delegate to such subcommittee the Board's authority to carry out certain duties of the Board;

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

(j) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners, as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;

(k) to exercise all other powers and duties of the board of managers or Unit Owners as a group referred to in the Condominium Property Act of the State of Illinois, and all powers and duties of a board of managers or a board of directors referred to in the Declaration or these By-Laws.

### ARTICLE III

#### Officers

Section 1. At each annual meeting, the Board shall elect the following officers of the Association:

(a) A President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive of the Association;

(b) A Vice President, who shall be a director and who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President;

(c) A Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the managing agent;

(d) A Treasurer, who shall be a director and who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;..

(e) such additional officers as the Board shall see fit to elect.

Section 2. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

Section 4. Vacancies in any office shall be filled by the Board at special meetings thereof.

Section 5. The officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by the Unit Owners.

#### ARTICLE IV

##### Assessments

Section 1. The board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, legal and accounting fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the laundry and other Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

Section 2. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than sixty (60) days after the beginning of such year. On or before the first 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 respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements as set forth in Exhibit B of the Declaration. The Board may cause to be sent to each Unit Owner on or before the first day of each month a statement of the monthly assessment of such Unit Owner for such month, but the failure to send or to receive such monthly statement shall not relieve any Unit Owner of his obligation to pay his monthly assessment on or before the first day of each month. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount to his

respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the manager or managing agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessments for common expense by abandoning or not using his Unit or the Common Elements.

Section 3. For the first fiscal year, the annual budget shall be as approved by the first Board. If such first year, or any succeeding year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of closing of his Unit by each Unit Owner, he shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

Section 4. Within sixty (60) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. The Board shall not approve any capital expenditures in excess of Five Thousand Dollars (\$5,000.00) unless required for emergency, repair, protection or operation of the Common Elements, nor enter any contracts for more than three (3) years without the prior approval of two-thirds (2/3) of the total ownership of the common elements.

Section 7. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses, in the same ratio as his percentage of ownership in the common elements as set forth in the Declaration, and as assessed in the manner herein provided, if any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof shall constitute a lien on the interest of such Unit Owner in the Property, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the said mortgage owner or holder either takes possession of the unit, accepts a conveyance of any interest therein (other than as security) or files suit to foreclose its mortgage, and causes a receiver to be appointed. Furthermore, if any Unit Owner shall fail or refuse to pay when due his proportionate share of the common expenses and



such Unit Owner withholds possession of his Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Unit. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Condominium Property Act, the Forcible Entry and Detainer Act, the Declaration or these By-Laws, or are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 8. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred. Such payment vouchers may be approved in such manner as the Board may determine. All records and vouchers authorizing the payments shall be available for examination by the Unit Owners at convenient hours of week days.

The Board shall, upon receipt of ten (10) days notice to it or the Association and upon payment of a reasonable fee, furnish to any Unit Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

Section 9. The Board of Directors may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or Common Elements, rather than against a particular Unit Ownership only. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses (including attorney's fees) incurred by reason of such lien.

## ARTICLE V

### Use and Occupancy Restrictions

Section 1. No animals shall be raised, bred or kept in any Unit, except for dogs, cats or other household pets of a Unit Owner, provided that they are not kept for any commercial purposes, and provided that they shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and provided that they shall not in the judgment of the Board constitute a nuisance to others.

Section 2. No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Section 3. Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. No Unit Owner shall display, hang, store or use any signs, clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible through his windows from the outside (other than air conditioners, draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Association or Board or manager or managing agent.

Section 4. Trash, garbage, and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board.

Section 5. During the period of sale of the units in the Property, by the beneficiaries of the Trustee, the beneficiaries of the Trustee and its agents, contractors and sub-contractors, and their respective agents and employees, shall be entitled to access, ingress and egress to said Building and Property as may be required. While the beneficiaries of the Trustee owns any of the Units and until each unit sold by it is occupied by the purchasers, the beneficiaries of the Trustee and its employees may use and show one or more of such unsold or unoccupied Units as a model apartment or apartments and sales office, and may maintain customary signs in connection therewith.

Section 6. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in the corridors, hallways, lobby or other common areas, except in the storage areas specifically designated for the respective Unit Owner by the Board or the manager or managing agent.

Section 7. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior written consent of the Association or Board or manager or managing agent.

## ARTICLE VI

### Amendments

These By-Laws may be amended or modified from time to time by action or approval of two-thirds (2/3) of the total ownership of the common elements. Such amendments shall be recorded in the Office of the Registrar of Titles of Cook County, Illinois.

## ARTICLE VII

### Indemnification

Section 1. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that he is or was a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by or imposed on him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction,

or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which is reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association.

Section 3. To the extent that a member of the Board of Directors or an officer of the Association or a member of any committee 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 in Sections 1 and 2, 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 herewith.

Section 4. Any indemnification, under Sections 1 and 2 shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board of Directors or the officer or the member of such committee is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of those Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the members of the Association.

Section 5. 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 of Directors in the specific case upon receipt of an undertaking by or on behalf of the member of the Board of Directors or the officer or the member of such committee to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VII.

Section 6. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, shall continue as to a person who has ceased to be a member of the Board of Directors or an officer or a member of such committee and shall inure to the benefit of the heirs, executors and administrators of such a person.

*FIRST*  
AMENDMENT TO DECLARATION OF CONDOMINIUM OWNERSHIP  
FOR

THE COLONIAL SQUARE OF ARLINGTON HEIGHTS CONDOMINIUM ASSOCIATION  
904, 906, 910, 912, 914 WEST ST. JAMES STREET AND 403 NORTH  
KENNICOTT AVENUE, ARLINGTON HEIGHTS, ILLINOIS

A Not-For-Profit Corporation

THIS-AMENDMENT to the Declaration of Condominium Ownership registered on the seventh day of March, 1974, as Document Number 2752059 in the Office of the Registrar of Titles of Cook County, Illinois, being made and entered into by the undersigned, being the owners of record of eighty (80) per cent of the units and eighty (80) per cent or more of the undivided interest of the common property, for convenience hereinafter referred to as the "Owners".

WITNESSETH: THAT,

WHEREAS, the Owners are the Owners of record of eighty (80) per cent of the units and eighty (80) per cent or more of the undivided interests in the common property of the following described real estate located in the County of Cook, and State of Illinois and described as:

Lots One (1), Two (2) and Three (3) in REINERT'S SUBDIVISION in ARLINGTON HEIGHTS, being a Sub-division of part of the West Half (1/2) of the South East Quarter (1/4) of Section 30, Township 42 North, Range 11, East of the Third Principal Meridian, according to Plat thereof registered in the office of the Registrar of Titles of Cook County, Illinois, on December 12, 1962, as Document Number 2069813.

WHEREAS, a Declaration of Condominium Ownership for the above described real estate was previously registered with the Registrar of Titles of Cook County, Illinois, on March 7, 1974 as Document Number 2742059, and

WHEREAS, said Declaration provided in Paragraph 23 for amendment as follows:

"Amendment. The provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed by Unit Owners owning not less than eighty per cent (80%) of the total ownership of common elements and acknowledged; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by said

secretary certifying to such mailing is made a part of such instrument.

Notwithstanding the provisions of the foregoing paragraph, if the Act, or this Declaration, or the By-Laws, require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Unit Owners or all lien holders or both as required by the Act or this Declaration.

The change, modification or rescission, whether accomplished under either of the provisions of the preceding two paragraphs, shall be effective upon recording of such instrument in the Office of the Registrar of Titles of Cook County, Illinois; provided, however, that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act."

WHEREAS, the undersigned, comprising Unit Owners owning not less than eighty (80%) per cent of the total ownership of Common Elements, wish to amend Paragraph 11 of the Declaration of Condominium Ownership for said real estate to provide that the lien for common expenses shall be subordinate to the lien of a prior recorded first mortgage held by any bonafide lending institution,

NOW, THEREFORE, THE UNDERSIGNED, BEING UNIT OWNERS OWNING NOT LESS THAN EIGHTY (80) PER CENT OF COMMON ELEMENTS OF THE AFORESAID DESCRIBED REAL ESTATE, DECLARE THAT THE DECLARATION OF CONDOMINIUM OWNERSHIP FOR THIS PROPERTY IS HEREBY AMENDED, AND PARAGRAPH 11 OF THE DECLARATION OF CONDOMINIUM OWNERSHIP SHALL HENCEFORTH READ:

"11. Common expenses. Each Unit Owner shall pay his proportionate share of the administration and operation of the Common Elements and of any other expenses incurred in conformance with the Declaration and By-Laws (which expenses are herein sometimes referred to as "common expenses"), including specifically, but not by way of limitation, the maintenance and repair thereof, and any and all replacements and additions thereto. Such proportionate share of the common expenses for each Unit Owner shall be in the same ratio as his percentage of ownership in the Common Elements. Payment of common expenses including any prepayment thereof required by contract for sale of a unit shall be in such amounts and at such times as determined in the manner provided by in the By-Laws. If any Unit Owner shall fail

IN WITNESS WHEREOF, THE UNDERSIGNED UNIT OWNERS, OWNING NOT LESS THAN EIGHTY (80) PER CENT OF THE TOTAL OWNERSHIP OF THE COMMON ELEMENTS, HEREBY AFFIX THEIR SIGNATURES.

411 2E	4.2455
912 2E	4.2455
411 2E	4.2455
912 2E	4.2455
411 2E	4.2455
914-2W	4.2455
906 1-E	4.1765
411 2E	4.2455
912 1W	4.1793
906 E	4.1765



## SIGNATURE OF OWNER

## UNIT NUMBER

PERCENTAGE  
OF INTEREST

<i>[Signature]</i>	<i>[Unit Number]</i>	3.8.1.
<i>[Signature]</i>	<i>[Unit Number]</i>	-
William C. Robinson	912-26	1.7.3
<i>[Signature]</i>	<i>[Unit Number]</i>	-
William C. Robinson	914-10	4.3.5
<i>[Signature]</i>	<i>[Unit Number]</i>	-
William C. Robinson	912-1E	7.24.5
<i>[Signature]</i>	<i>[Unit Number]</i>	-
James M. Boudreau	912-1E	-
<i>[Signature]</i>	913-2H	4.377.
<i>[Signature]</i>	<i>[Unit Number]</i>	-
<i>[Signature]</i>	<i>[Unit Number]</i>	- 1.7.3
<i>[Signature]</i>	911-1E	4.19.3
<i>[Signature]</i>	<i>[Unit Number]</i>	7.73.7
<i>[Signature]</i>	<i>[Unit Number]</i>	4.32.5
<i>[Signature]</i>	<i>[Unit Number]</i>	-
<i>[Signature]</i>	<i>[Unit Number]</i>	3.8.11
<i>[Signature]</i>	<i>[Unit Number]</i>	- 1.7.3
<i>[Signature]</i>	<i>[Unit Number]</i>	7.24.8
<i>[Signature]</i>	<i>[Unit Number]</i>	-
<i>[Signature]</i>	<i>[Unit Number]</i>	-
<i>[Signature]</i>	<i>[Unit Number]</i>	-

# EXHIBIT "A"

## PERCENTAGE OF OWNERSHIP INTEREST IN COMMON ELEMENTS FOR CONDOMINIUM UNITS 904, 906, 910, 912, 914 WEST ST. JAMES STREET AND 403 NORTH KENNICOTT AVENUE, ARLINGTON HEIGHTS, ILLINOIS

<u>UNIT NO.</u>	<u>PERCENTAGE OF INTEREST</u>
904 - IN	4.2485
904 - IS	4.1968
904 - 2N	4.2485
904 - 2S	4.1968
906 - 1E	4.1968
906 - 2E	4.1968
906 - 1W	3.7319
906 - 2W	3.7319
910 - 1W	4.2485
910 - 2W	4.2485
910 - 1E	4.1193
910 - 2E	4.1193
912 - 1E	4.2485
912 - 2E	4.2485
912 - 1W	4.1193
912 - 2W	4.1193
914 - 1W	4.3259
914 - 2W	4.3259
914 - 1E	3.8611
914 - 2E	3.8611
403 - 1N	4.3776
403 - 2N	4.3776
403 - 1S	4.3258
403 - 2S	4.3258

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100.0000

EXHIBIT B

AFFIDAVIT

I, VIRGINIA DARLINGTON, on oath state:

1. I am the duly-elected secretary of the Colonial Square of Arlington Heights Condominium Association.

2. I certify that on August 11, 1982 I sent a copy of the proposed Amendment to Declaration of Condominium Ownership for The Colonial Square of Arlington Heights Condominium Association, along with a letter explaining the amendment, to each lien holder of record.

3. The letter and copy of the proposed Amendment were sent to each lien holder by certified mail.

FURTHER AFFIANT SAYETH NOT.

Virginia Darlington  
Virginia Darlington

State of Illinois )  
County of Cook ) ss.

Subscribed and sworn to  
before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 1982.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that

personally known to me to be the same persons whose  
names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

\_\_\_\_\_, 1982  
Date

\_\_\_\_\_  
Notary Public

MARY C. SCHLOTT  
750 W. Northwest Highway  
Arlington Heights, Illinois 60004  
577-3611