

DECLARATION OF CONDOMINIUM OWNERSHIP FOR
THE HAVERFORD AT SCHAUMBURG COLONY

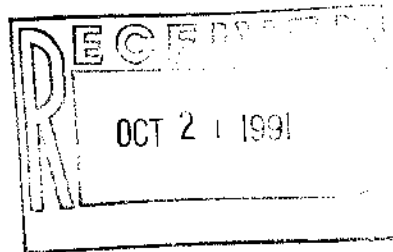
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DECLARATION OF CONDOMINIUM OWNERSHIP FOR
THE HAVERFORD AT SCHAUMBURG COLONY

This Declaration is made by the Haverford at Schaumburg Limited Partnership, an Illinois limited partnership by Kimball Hill, Inc., its sole general partner ("Declarant"), on December 5, 1988.

RECITALS:

Declarant is the holder of record title of the Development Area, which is located in Schaumburg, Illinois, and which is legally described in Exhibit A hereto. Declarant intends to submit some or all of the Development Area to the Act and to the provisions of this Declaration. Initially, the condominium (the "Parcel") shall consist of that portion of the Development Area which is legally described in Exhibit B. From time to time Declarant may add additional portions of the Development Area to the Parcel as "Added Property" by Recording Supplements to the Declaration, as more fully provided for in Article Eight. Thus as Supplements are Recorded, the Parcel will expand to include more and more portions of the Development Area.

It is the purpose of this Declaration to set out various provisions governing the use, occupancy, administration and maintenance of the Condominium Property for the mutual use, benefit and enjoyment thereof by the Owners. The Association shall be responsible for the administration of the Condominium Property and the maintenance, repair and replacement of the Common Elements. Each Owner shall be assessed to pay his proportionate share of the Common Expenses required to operate the condominium, all as more fully provided in this Declaration. The Association shall also be responsible for the collection and proper disbursement of assessments paid by each Owner pursuant to the Declaration of Easements, Restrictions and Covenants for the Haverford at Schaumburg Master Association dated December 5, 1988.

The Developer shall retain certain rights set forth in this Declaration with respect to the Condominium Property and the Association, including, without limitation, the right, prior to the Turnover Date, to appoint all members of the Board, the right to come upon the Condominium Property in connection with Developer's efforts to sell Dwelling Units and other rights reserved in Article Eleven.

NOW, THEREFORE, Declarant as record title holder of the Parcel for the purposes herein stated, hereby declares as follows:

ARTICLE ONE
Definitions

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

- 1.01 ACT: The Condominium Property Act of the State of Illinois, as amended from time to time.
- 1.02 ADMINISTRATOR: Administrator of Veterans Affairs.
- 1.03 ASSOCIATION: The Haverford at Schaumburg Colony Condominium Association, an Illinois not-for-profit corporation, its successors and assigns.
- 1.04 BOARD: The board of directors of the Association, as constituted at any time or from time to time.
- 1.05 BUILDING: That portion of the Condominium Property which consists of a structure which contains Dwelling Units, including the structural components of such structure, the entry ways, corridors, stairways, roof, laundry room, storage facilities, garage and other portions of the structure.
- 1.06 BY-LAWS: The By-Laws of the Association which are attached hereto as Exhibit E.
- 1.07 COMMISSIONER: The Federal Housing Commissioner.
- 1.08 COMMON ELEMENTS: All of the Condominium Property, except the Dwelling Units.
- 1.09 COMMON EXPENSES: The expenses of administration (including management and professional services), maintenance, operation, repair, replacement, and landscaping of the Common Elements; the cost of additions, alterations, or improvements to the Common Elements; the cost of insurance required or permitted to be obtained by the Board under Article Five; utility expenses for the Common Elements; any expenses designated as Common Expenses by the Act, this Declaration, or the By-Laws; if not separately metered or charged to the Owners, the cost of waste removal, water, sewer, or other necessary utility services to the Condominium Property; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners.
- 1.10 DECLARATION: This instrument with all Exhibits hereto, as amended or supplemented from time to time.

1.11 DECLARANT/DEVELOPER: The Haverford at Schaumburg Limited Partnership, an Illinois limited partnership, by Kimball Hill, Inc., an Illinois corporation, its successors and assigns, which is sometimes referred to herein as "Declarant" and sometimes as "Developer".

1.12 DEVELOPMENT AREA: The real estate described as Exhibit A hereto with all improvements thereon and rights appurtenant thereto. Exhibit A is attached for informational purposes only and none of the covenants, conditions, restrictions and easements contained herein shall burden any portion of the Development Area, unless and until such portion is made part of the Parcel.

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

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

(b) any component of a system which serves more than one Dwelling Unit where such component is an integral part of such system and is not intended to serve the Dwelling Unit exclusively. Each Dwelling Unit is identified on the Plat by a distinguishing number or other symbol. The legal description of each Dwelling Unit shall refer to such identifying number or symbol and every such description shall be deemed good and sufficient for all purposes, as provided in the Act.

1.14 FIRST MORTGAGEE: The holder of a bona fide first mortgage, first trust deed or equivalent security interest covering a Unit Ownership.

1.15 GARAGE: A portion of the Dwelling Unit which is designated on the Plat as a "Garage" consisting of a covered parking space for an automobile. Each garage shall be identified on the Plat by a distinguishing number or other symbol.

1.16 LIMITED COMMON ELEMENTS: A portion or portions of the Common Elements which are designated by this Declaration or the Plat as being a Limited Common Element appurtenant to and for the exclusive use of Owners of one or more, but less than all, of the

Dwelling Units. Without limiting the foregoing, the Limited Common Elements assigned and appurtenant to each Dwelling Unit shall include the following ("Exclusive Limited Common Elements"): (a) perimeter doors (including patio doors) and windows which serve the Dwelling Unit, (b) the interior surface of perimeter walls, ceilings and floors which define the boundary planes of the Dwelling Unit and (c) any system or component part thereof which serves the Dwelling Unit exclusively to the extent that such system or component part is located outside the boundaries of the Dwelling Unit. Any patio adjoining a Dwelling Unit shall be a Limited Common Element appurtenant to such Dwelling Unit. Each storage area, if any, assigned to a specific Dwelling Unit shall be a Limited Common Element appurtenant to such Dwelling Unit.

1.17 MASTER ASSOCIATION: The Haverford at Schaumburg Master Association, an Illinois not-for-profit corporation, its successors and assigns, as created under a Declaration of Easements, Restrictions and Covenants for the Haverford at Schaumburg Master Association dated December 5, 1988.

1.18 MASTER DECLARATION The Declaration of Easements, Restrictions and Covenants for Haverford at Schaumburg Master Association dated December 5, 1988 as amended or supplemented from time to time.

1.19 OWNER: A Record owner, whether one or more Persons, of fee simple title to any Dwelling Unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The Declarant shall be deemed to be an Owner with respect to each Dwelling Unit owned by the Declarant.

1.20 PARCEL OR CONDOMINIUM PARCEL: The real estate described in Exhibit B together with the improvements located thereon and all rights appurtenant thereto.

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

1.22 PLAT: The plat of survey attached as Exhibit C hereto, and such other plats as may be made a part hereof, which sets forth the measurements, elevations, and locations of the Condominium Property, and the location of the planes which constitute the perimeter boundaries of each Dwelling Unit, a distinguishing number or other symbol to identify each Dwelling Unit, and such other data as may be required by the Act.

1.23 PROPERTY OR CONDOMINIUM PROPERTY: All the land, property, space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon, including buildings, and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners, hereby or hereafter submitted and subjected to the provisions of this Declaration and the Act.

1.24 RECORD: To record with the Recorder of Deeds of Cook County, Illinois.

1.25 REGULATORY AGREEMENT: The agreement, if any, (commonly known as the "Regulatory Agreement") which shall be entered into between the Commissioner and the Association on the form prescribed by the Commissioner, if such agreement is necessary in order to obtain the Commissioner's approval of the Condominium for insurance by the Federal Housing Administration of mortgages on Dwelling Units.

1.26 TURNOVER DATE: The date on which any one of the following shall first occur:

(a) 60 days after Declarant has conveyed 72 Dwelling Units to purchasers for value;

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

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

1.27 UNDIVIDED INTEREST: The percentage of ownership interest in the Common Elements appurtenant to a Dwelling Unit as herein and hereafter allocated on Exhibit D hereto, as Exhibit D may be amended from time to time.

1.28 UNIT OWNERSHIP: A part of the Condominium Property consisting of one Dwelling Unit, its Undivided Interest and the Limited Common Elements appurtenant to the Dwelling Unit.

1.29 VILLAGE: The Village of Schaumburg, Illinois or any other political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the Village of Schaumburg as of the date of the Recording of this Declaration.

1.30 VOTING MEMBER: The individual who shall be entitled to vote in person or by proxy at meetings of the Owners, as more fully set forth in Article Four.

ARTICLE TWO

Scope of Declaration and Certain Property Rights

2.01 PROPERTY SUBJECT TO DECLARATION: Declarant as the owner of fee simple title to the Condominium Parcel (which is legally described in Exhibit B), expressly intends to, and by Recording this Declaration, does hereby subject the Condominium Parcel and the Condominium Property to the provisions of the Act and this Declaration. Declarant shall have the right to subject additional portions of the Development Area to the provisions of the Act and this Declaration as provided in Article Eight. Nothing in this Declaration shall be construed to obligate the Declarant to subject to the Act and this Declaration any portion of the Development Area other than those portions which are part of the Parcel or which are added to the Parcel by Supplemental Declarations Recorded by the Declarant pursuant to Article Eight. None of the covenants, restrictions, and easements contained in this Declaration shall burden any portion of the Development Area unless and until such portion is or becomes part of the Parcel.

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

2.03 ENCROACHMENTS: In the event that, by reason of the construction, repair, reconstruction, settlement or shifting of the Condominium Property, or any part thereof, (i) any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Dwelling Unit, or (ii) any part of any Dwelling Unit encroaches or shall hereafter encroach upon any part of any other Dwelling Unit or the Common Elements, then, in any such case, there shall be deemed to be an easement in favor of the Owners and Declarant for the maintenance and use of any of the Common Elements which may encroach upon a Dwelling Unit and there shall be deemed to be an easement in favor of any Owner for the

exclusive use of any part of his Dwelling Unit which shall encroach upon the Common Elements or any other Dwelling Unit which easement shall exist so long as the encroachment giving rise to it exists; provided, however, that in no event shall an easement for any encroachment be created in favor of any Owner if such encroachment occurred due to the intentional, willful or negligent conduct of such Owner or his agent.

2.04 OWNERSHIP OF COMMON ELEMENTS: Each Owner shall own an undivided interest in the Common Elements as a tenant-in-common with all the other Owners. Each Dwelling Unit's corresponding percentage of ownership in the Common Elements (Undivided Interest) has been determined by Developer as required under the Act and shall be as set forth in Exhibit D attached hereto as Exhibit D may be amended from time to time. Exhibit D may not be changed without unanimous written approval of all Owners and the consent of the Eligible Mortgagees, except as hereinafter provided in Section 5.06 or 5.07, Article Eight, or as permitted by the Act. The Common Elements shall remain undivided and no Owner shall bring any action for partition.

2.05 OWNERS' RIGHTS TO USE THE COMMON ELEMENTS:

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

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

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

2.06 LEASE OF COMMON ELEMENTS: The Board shall have the right and authority, subject to the provisions of this Declaration and the By-Laws, to lease or grant licenses or concessions with regard to parts of the Common Elements (other than Limited Common Elements). The rental, fees, and terms of

any 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.

2.07 UTILITY AND ACCESS EASEMENTS: Each Owner of a Dwelling Unit, the Declarant and the Developer shall have a non-exclusive easement for access over and across walkways, entranceways and stairways located from time to time on the Parcel, including, without limitation, those stairways and walkways which provide access to public ways. The Illinois Bell Telephone Company, Commonwealth Edison Company, Northern Illinois Gas Company, the Village of Schaumburg and its cable television franchisee, and all other public and private utilities serving the Parcel are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Parcel for the purpose of providing utility services to the Parcel and to adjacent property.

2.08 ADDITIONAL EASEMENTS: (a) In addition to the easements provided for herein, the Board, on behalf of all of the Owners, shall have the right and power (i) to grant such easements with respect to the Common Elements (except the Limited Common Elements) as the Board deems advisable or proper, including without limitation, easements relating to installation and operation of satellite or any other communication systems, except cable television which is provided for below, and/or (ii) to cancel, alter, change or modify any easement which affects the Condominium Property and does not benefit an Owner as the Board shall, in its discretion, determine. Without limiting the foregoing, until such time as Declarant no longer holds title to a Dwelling Unit, the Board shall grant such easements as the Developer or Declarant may from time to time request 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 Section. 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.

(b) A majority of more than 50% of the Owners at a meeting of the Owners duly called for such purpose may authorize the granting of an easement for the laying of cable television cable. The grant of such easement shall be according to the terms and conditions of the local ordinance providing for cable

television in the Village of Schaumburg.

(c) Notwithstanding anything herein to the contrary, the Developer and/or Declarant shall have the right and power to grant such easements for egress and ingress to the owners of adjacent property with respect to the Common Elements, as deemed advisable or proper.

2.09 BOARD'S RIGHT OF ENTRY: The Board or its agents, upon reasonable notice or, in the case of an emergency, without notice, shall have the right to enter any Dwelling Unit, including any of the appurtenant Limited Common Elements, when necessary in exercise of its authority under Section 3.02 or in connection with any maintenance, repair and replacement for which the Board is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board, as a Common Expense.

2.10 SEPARATE MORTGAGES: Each Owner shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance or other lien on his respective Unit Ownership. After the Recordation of this Declaration, no Owner shall have the right or authority to make or create, or to cause to be made or created, any mortgage or encumbrance or other lien on or affecting the Condominium Property or any part thereof, except only to the extent of his Unit Ownership.

2.11 SEPARATE REAL ESTATE TAXES: Real estate taxes, special assessments, and any other special taxes or charges of the State of Illinois or any duly authorized subdivision or agency thereof, are to be separately taxed to each Owner for his Unit Ownership, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Owner, then where the bill affects the Condominium Property as a whole or portions of the Common Elements and not Dwelling Units, then each Owner shall pay his proportionate share thereof in accordance with his Undivided Interest.

Upon the affirmative vote of not less than a majority of the Voting Members, the Board, on behalf of all Owners, shall have the authority to seek relief for the Owners from any such taxes, special assessments or charges, and any expenses incurred in connection therewith shall be Common Expenses.

2.12 LEASE OF DWELLING UNIT: Any Owner shall have the right to lease all (but not less than all) of his Dwelling Unit upon such terms and conditions as the Owner may deem advisable, except, that no Dwelling Unit shall be leased for transient or

hotel purposes, which are hereby defined as being for a period of less than 30 days or for a period of more than 30 days where hotel services normally furnished by a hotel (such as room service or maid service) are furnished. Any such lease shall be in writing and shall provide that the lease shall be subject to the terms of this Declaration and that any failure of the lessee to comply with the terms of this Declaration shall be a default under the lease. The Board may adopt such rules and regulations applicable to the leasing of Dwelling Units as it deems advisable and necessary. Notwithstanding anything contained herein, the provisions of this Section 2.12 and any rules or regulations adopted pursuant hereto by the Board shall not at any time apply to any Dwelling Units owned by the Developer or Declarant.

2.13 PARKING: Initially, each Garage (including Garages located on Added Property) shall be a Limited Common Element appurtenant to Dwelling Units owned by the Declarant (including any such Dwelling Units which may be subsequently added to the Property under Article Eight).

ARTICLE THREE
Use, Occupancy and Maintenance of the Property

3.01 MAINTENANCE, REPAIR AND REPLACEMENT OF COMMON ELEMENTS:

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

(b) With respect to a particular class or category of Limited Common Elements (other than the Exclusive Limited Common Elements), instead of furnishing the maintenance, repair or replacement to such category or class of Limited Common Elements the Board may, in its discretion, (i) require each Owner to furnish such services to Limited Common Elements which are appurtenant to his Dwelling Unit at his own expense, or (ii) furnish such services to Limited Common Elements but assess the cost thereof to Owners of Dwelling Units benefited thereby on the

basis of Undivided Interests or in equal shares, whichever the Board feels, in its sole discretion, to be appropriate.

3.02 MAINTENANCE, REPAIR AND REPLACEMENT OF DWELLING UNITS AND EXCLUSIVE LIMITED COMMON ELEMENTS:

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

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

3.03 ADDITIONS, ALTERATIONS OR IMPROVEMENTS:

(a) The Board may authorize and charge as a Common Expense additions, alterations, or improvements to the Common Elements. Subject to the provisions of Section 6.06, the cost of any such work to the Common Elements may be paid out of a special assessment. The Property is developed under a Planned Unit Development Site Plan with the Village and any additions, alterations or improvements must be approved by the Village except for routine maintenance of the Property or the replacement or repair of the property to a condition that previously existed.

(b) Without the prior written consent of the Board, an Owner shall not make any additions, alterations or improvements to any part of the Common Elements (other than Exclusive Limited

Common Elements appurtenant to his Dwelling Unit) nor make any additions, alterations or improvements to his Dwelling Unit or to the Exclusive Limited Common Elements appurtenant thereto where such work alters the structure of the Dwelling Unit or the Exclusive Limited Common Elements appurtenant thereto or increases the cost of insurance required to be carried by the Board hereunder. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by an Owner upon the Owner's agreement either (i) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (ii) to pay to the Association from time to time the additional cost of maintenance and/or insurance as a result of the addition, alteration or improvement. If an addition, alteration or improvement is made by an Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions:

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

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

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

3.04 DAMAGE CAUSED BY OWNER: If, due to the act of or the neglect of an Owner, a guest, tenant or other authorized occupant or invitee of such Owner, damage shall be caused to a part of the Condominium Property and maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs, and replacements, as may be determined by the Board, to the extent not covered by insurance, if any, carried by the Association.

3.05 USE RESTRICTIONS: Except as provided in Article Eleven, each Dwelling Unit shall be used only as a residence and for related purposes; provided, that, no Unit Owner shall be precluded with respect to his Dwelling Unit, from (i) maintaining a personal professional library, (ii) keeping his personal business records or accounts therein or (iii) handling his personal business or professional calls or correspondence therefrom.

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

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

3.08 SIGNS: Except as provided in Article Eleven, or permitted by the Board, no "For Sale", "For Rent", or any other sign of any kind or other form of solicitation or advertising sign or window display shall be maintained or permitted on the Condominium Property.

3.09 PETS: No animals of any kind including domestic or household pets, shall be raised, bred or kept in any Dwelling Unit, or on the Condominium Property, except, that dogs, cats or other household pets may be kept in Dwelling Units subject to rules and regulations adopted by the Board. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon 3 days written notice from the Board to the Owner of the Dwelling Unit containing the pet, and the decision of the Board shall be final.

3.10 STRUCTURAL IMPAIRMENT: Nothing shall be done in, on or to any part of the Condominium Property which would impair the structural integrity of any building or structure located on the Condominium Property.

3.11 PROSCRIBED ACTIVITIES: No noxious or offensive activity shall be carried on in the Condominium Property and nothing shall be done in the Condominium Property, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or occupants of the Dwelling Units. An Owner shall not place or cause to be placed in the lobbies, vestibules, stairways and other Common Elements of a similar nature, any furniture, packages or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

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

3.13 RULES AND REGULATIONS:

(a) The use and enjoyment of the Condominium Property shall be subject to reasonable rules and regulations duly adopted by the Board from time to time after a meeting of the Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations and which conforms to Section 4.05 of the By-Laws; 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. No rule or regulation shall be effective unless and until at least 10 days notice thereof is given to all Owners.

(b) The Board may adopt rules and regulations requiring Owners or tenants of Owners to post a deposit with the Board in a reasonable amount as determined by the Board to ensure that no damage is caused to the Condominium Property because of Owner or his tenants moving in or out of the Dwelling Unit.

(c) Without limiting the foregoing, the Board may levy a reasonable charge or liquidated damages upon Owners for a violation of a rule or regulation.

ARTICLE FOUR
The Association

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

4.02 MEMBERSHIP:

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

(b) One individual shall be designated as the "Voting Member" for each Unit Ownership. The Voting Member or his proxy shall be the individual who shall be entitled to vote at meetings of the Owners. If the Record ownership of a Dwelling Unit shall be in more than one Person, or if an Owner is a Declarant, corporation, partnership or other legal entity, then the Voting Member for the Dwelling Unit shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Dwelling Unit as the Voting Member for such Dwelling Unit.

4.03 THE BOARD: From and after the Turnover Date, the Board shall consist of 3 individuals, each of whom shall be an Owner or a Voting Member, or both. Members of the Board of Directors shall be elected at each annual meeting of the Owners as provided in the By-Laws.

4.04 VOTING RIGHTS: Whenever a vote of the Owners of the Association is required, at any meeting of such Owners or otherwise, such votes shall be cast by the Voting Members or their proxies and each Voting Member shall have one (1) vote per Dwelling Unit represented by the Voting Member.

4.05 MANAGING AGENT: The term of any management agreement shall not exceed 2 years and shall be terminable for cause by the Association on 30 days written notice and without cause or payment of a termination fee by either party on 90 days written notice.

4.06 DIRECTOR AND OFFICER LIABILITY: Neither the directors nor the officers of the Association whether elected or designated by the Developer shall be personally liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors and officers except for any acts or omissions found by a court to constitute criminal conduct, gross negligence or fraud. The Association shall indemnify and hold harmless each of the directors and each of the officers, his heirs, executors or administrators, against all

contractual and other liabilities to others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Association or arising out of their status as directors or officers unless any such contract or act shall have been made criminally, fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, administrative, or other, in which any such director or officer may be involved by virtue of such person being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer.

ARTICLE FIVE
Insurance/Condemnation

5.01 FIRE INSURANCE: The Board shall have the authority to and shall obtain insurance for the Condominium Property against loss or damage by fire and such other hazards as may be required under the Act, as the Board may deem desirable, or as reasonably required by First Mortgagees, for the full insurable replacement cost of the Common Elements and the Dwelling Units. Premiums for such insurance shall be Common Expenses. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the Board as Declarant for each of the Owners in accordance with their Undivided Interests. All such policies of insurance (i) shall contain standard mortgage clause endorsements in favor of the First Mortgagees as their respective interests may appear, (ii) shall provide that the insurance, as to the interests of the Board, shall not be invalidated by any act or neglect of any Owner, (iii) shall provide that notwithstanding any provision thereof which gives the insurer an election to restore damage in lieu of making a cash settlement thereof, such option shall not be exercisable if the Owners elect to sell the Condominium Property or remove the Condominium Property from the provisions of the Act, (iv) to the extent possible, shall provide

that such policy shall not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' written notice to the First Mortgagee of each Unit Ownership, and (v) shall contain waivers of subrogation with respect to the Association, its directors, officers, employees and agents (including the managing agent), Owners, occupants of the Dwelling Unit, First Mortgagees, the Declarant and the Developer or, alternatively, all such parties shall be named as additional insureds.

5.02 INSURANCE TRUSTEE/USE OF PROCEEDS: The Board may engage the services of any bank or trust company authorized to do trust business in Illinois to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of the Act and this Declaration. The fees of such corporate trustee shall be Common Expenses. In the event of any loss in excess of \$50,000 in the aggregate, the Board shall engage a corporate trustee as aforesaid, or in the event of any loss resulting in the destruction of the major portion of one or more Dwelling Units, the Board shall engage a corporate trustee as aforesaid upon the written demand of the mortgagee or any Owner of any Dwelling Unit so destroyed. The rights of First Mortgagees under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions in the Act and this Declaration with respect to the application of insurance proceeds to the repair or reconstruction of the Dwelling Units or Common Elements. Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of a release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or the corporate trustee.

5.03 OTHER INSURANCE: The Board shall also have the authority to and shall obtain the following insurance:

(a) Insurance on the Condominium Property against all loss or damage from explosion of heating apparatus installed in, on or about said Condominium Property, in such amounts as the Board shall deem desirable.

(b) Comprehensive public liability and property damage insurance against claims for personal injury or death or property

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

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

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

(e) Directors and Officers liability insurance.

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

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

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

5.06 REPAIR OR RECONSTRUCTION:

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

(b) In the event that the insurance proceeds are insufficient to repair or reconstruct the Damaged Improvement as provided under the Act, the following procedure shall be followed:

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

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

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

(4) If the Voting Members do not vote to repair or reconstruct the Damaged Improvement at the meeting provided for in (1) above, then the Board may, at its discretion, call another

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

(5) If (i) the Voting Members do not vote to repair or reconstruct the Damaged Improvement under Subsection (4) above and (ii) the Board does not Record a notice as permitted under the Act, then the Board may, with the consent of Owners representing 75% of the Undivided Interests of the Dwelling Units and 75% of First Mortgagees (by number), amend this Declaration to withdraw some or all of the damaged portion of the Condominium Property 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 portion of the Condominium Property is withdrawn from the condominium, then the amendment shall provide that the portion of the Condominium Property which is so withdrawn shall be owned by the Owners of Dwelling Units in such withdrawn portion as tenants-in-common with each Owner's interest being determined by dividing the aggregate Undivided Interests allocated to all of the Dwelling Units (or portions thereof) in such withdrawn portion into the Undivided Interest of the Owner's Dwelling Unit (or portion thereof) in the withdrawn portion. The amendment shall also reallocate the Undivided Interests of the remaining Dwelling Units based on the procedure set forth in Section 8.02(c). The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Owner shall be made to such Owner and his First Mortgagee, as their interests may appear, on an equitable basis, determined by the Voting Members, as provided in the Act. From and after the effective date of the removal of a portion or all of a Dwelling Unit from the condominium pursuant to this Subsection, the Owner of the Dwelling Unit shall only be liable for the payment of assessments based on the Undivided Interest, if any, then allocated to the Dwelling Unit.

(c) If the Damaged Improvement is repaired or reconstructed, it shall be done in a workmanlike manner and the Damaged Improvement, as repaired or reconstructed, shall be substantially similar in design and construction to the Damaged Improvement as originally constructed.

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

CONDEMNATION:

(a) In the case of a taking or condemnation by a competent authority of any part of the Condominium Property, the Association shall, if necessary, restore the improvements in the remaining portion of the Condominium Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed prior to the taking or condemnation. Any proceeds or awards made to the Association in connection with any such taking or condemnation shall be applied first to the cost of any restoration and any remaining portion of such proceeds or awards shall be distributed to the remaining Owners and their respective First Mortgages, as their Interests may appear, based on their current Undivided Interests. Each Owner appoints the Association as attorney-in-fact for the purpose of representing him 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 that part or all of one or more Dwelling Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Declaration and the Act and the court which has jurisdiction of the action shall adjust the Undivided Interests of the remaining Dwelling Units in a just and equitable manner and as provided under the Act, and if the court fails to make such adjustment, such adjustment may be made by the Board. The President and Secretary of the Association shall execute and Record an instrument on behalf of the Association as required by the Act which amends this Declaration, effective as of the effective date of the taking or condemnation, to reflect the removal of property and adjustments, if any, in the Undivided Interests as a result of an occurrence covered by this Section. From and after the effective date of the amendment referred to in the preceding sentence, the Owner of a Dwelling Unit which is removed in part or in whole from the provisions of this Declaration shall only be liable for the payment of assessments based on the Undivided Interest, if any, allocated to the Dwelling Unit in the amendment.

ARTICLE SIX
Assessments

6.01 CREATION OF LIEN AND PERSONAL OBLIGATION: The Developer, for each Unit Ownership hereby covenants, and each Owner of a Unit Ownership by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other

conveyance, shall be and is deemed to covenant and hereby agrees to pay to the Association such assessments or other charges or payments as are levied pursuant to the provisions of this Declaration. Such assessments, or other charges or payments, together with interest thereon and costs of collection, if any, as herein provided, shall be a charge on the Unit Ownership and shall be a continuing lien upon the Unit Ownership against which each such assessment is made. Each such assessment, or other charge or payment, together with such interests and costs, shall also be the personal obligation of the Owner of such Unit Ownership at the time when the assessment or other charge or payment becomes due.

6.02 PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be exclusively for the purposes of promoting the recreation, health, safety, and welfare of members of the Association, to administer the affairs of the Association, and to pay the Common Expenses.

6.03 ANNUAL ASSESSMENT: Each year at least 60 days before the end of the Association's fiscal year, and at least 30 days before final adoption thereof, the Board shall furnish each Owner with a proposed budget for the ensuing fiscal year which shall show the following, with reasonable explanations and itemizations:

(a) The estimated Common Expenses;

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

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

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

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

6.04 PAYMENT OF ANNUAL ASSESSMENT: On or before the first day of the fiscal year, and on or before the first day of each

and every month thereafter until the effective date of the next Annual Assessment, each Owner of a Dwelling Unit shall pay to the Association, or as it may direct, that portion of the Annual Assessment which is payable by such Owner.

6.05 REVISED ANNUAL ASSESSMENT: If the Annual Assessment proves to exceed funds reasonably needed, then the Board may decrease the assessments payable under Section 6.03 as of the first day of a month by the giving of written notice thereof (together with a revised budget for the balance of the year and reasons for the decrease) not less than ten days prior to the effective date of the decreased assessment.

6.06 SPECIAL ASSESSMENT: The Board may levy a special assessment (i) to pay (or build up reserves to pay) extraordinary expenses incurred (or to be incurred) by the Association for a specific purpose including, without limitation, to make additions, alterations or improvements to the Common Elements, or (ii) to cover an unanticipated deficit under the current or prior year's budget. Any special assessment, which will require the aggregate payment with respect to a Dwelling Unit of the greater of (a) \$300 or (b) 5 times the most recent monthly assessment shall be subject to approval by the affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes cast at a meeting of the Owners duly called for the purpose of approving the assessment. Each Owner shall be responsible for the payment of the amount of the special assessment multiplied by his Dwelling Unit's Undivided Interest. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the amount and reasons therefor, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the current or prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

6.07 MASTER ASSOCIATION ASSESSMENT: The Board shall collect from each Owner such assessments, or other charges or payments, together with such interest and costs which are levied by the Master Association; however, the Association shall be responsible for promptly remitting to the Master Association the total annual assessment of all the Dwelling Units in the Association as levied by the Master Association.

6.08 CAPITAL RESERVE: The Association shall segregate and maintain special reserve accounts to be used solely for making capital expenditures in connection with the Common Elements (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the

useful life of improvements to the Common Elements and property owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Elements or the purchase of property to be used by the Association in connection with its duties hereunder. The Capital Reserve may be built up by special assessment or out of the Annual Assessment as provided in the budget. Each budget shall disclose that portion of the Annual Assessment which shall be added to the Capital Reserve and shall also disclose (i) which portion thereof is for capital expenditures with respect to the Common Elements and (ii) which portion thereof is for capital expenditures with respect to property owned or to be owned by the Association. Special accounts set up for portions of the Capital Reserve to be used to make capital expenditures with respect to the Common Elements shall be held by the Association as agent and Declarant for the Owners. Special Accounts set up for portions of the Capital Reserve to be used to make capital expenditures with respect to property owned or to be owned by the Association shall be deemed to have been funded by capital contributions to the Association by the Owners.

6.09 INITIAL CAPITAL CONTRIBUTION: Upon the closing of the sale of each Dwelling Unit by the Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to 2 months' Annual Assessment at the rate in effect with respect to the Dwelling Unit as of the closing, which amount shall be held and used by the Association for its working capital needs.

6.10 NONPAYMENT OF ASSESSMENTS: Any assessments or other charges or payments which an Owner is required to make or is liable for hereunder which are not paid when due shall be deemed delinquent. If an assessment or other charge or payment is not paid 30 days after the due date, it shall bear interest from the due date at the contract rate of interest then permitted in Illinois but not to exceed 18% per annum, and the Board (i) may bring an action against the Owner personally obligated to pay the same, together with interest, costs and reasonable attorneys' fees of any such action, which shall be added to the amount of such assessment or other charge or payment and shall be included in any judgment rendered in such action, (ii) accelerate payment of the portion of the Annual Assessment payable by such Owner for the remainder of the fiscal year, and (iii) may enforce and foreclose any lien which it has or which may exist for its benefit. In addition, the Board may add a reasonable late fee to any installment of an assessment which is not paid within 15 days of its due date. No Owner may waive or otherwise escape liability for the assessments or other charges or payment provided for herein by nonuse, abandonment or transfer of his Dwelling Unit.

6.11 ASSOCIATION'S LIEN SUBORDINATED TO MORTGAGES: The lien on each Unit Ownership provided for in Section 6.01 for assessments or other charges or payments shall be subordinate to the lien of any first mortgage on the Unit Ownership Recorded prior to the date that any such assessments or other charges or payments become due. Except as hereinafter provided, the lien provided for in Section 6.01 shall not be affected by any transfer of title to the Unit Ownership. Where title to the Unit Ownership is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure, such transfer of title shall (to the extent permitted by law) extinguish the lien for any assessments or other charges or payments under Section 6.01 which became due prior to (i) the date of the transfer of title or (ii) the date on which the transferee comes into possession of the Dwelling Unit, whichever occurs first. However, the transferee of a Unit Ownership shall be liable for his share of any assessments or other charges or payments with respect to which a lien against his Unit Ownership has been extinguished pursuant to the preceding sentence which are reallocated among the Owners pursuant to a subsequently adopted annual, revised or special assessment, and nonpayment thereof shall result in a lien against the transferee's Unit Ownership as provided in Section 6.01. If for any reason the Owner of a Dwelling Unit is permitted to remain in possession of his Dwelling Unit during the pendency of a foreclosure action with respect to the Dwelling Unit, the Owner shall be required to pay a reasonable rental for such right and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect such rental.

6.12 STATEMENT OF ACCOUNT: Upon 7 days' notice to the Board and the payment of a reasonable fee, if any, which may be set by the Board, any Owner shall be furnished with a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from the Owner as of the date of the statement. The statement shall be executed by a duly authorized officer or agent of the Association and shall be binding on the Association.

ARTICLE SEVEN Remedies for Breach or Violation

7.01 SELF-HELP BY BOARD: In the event of a violation by an Owner of the provisions, covenants or restrictions of the Act, the Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, the Board, upon not less than 10 days' prior written notice, shall have the right to enter upon that part of

the Condominium Property where the violation or breach exists and summarily abate, remove or do whatever else may be necessary to correct such violation or breach. Any and all expenses in connection with the exercise of the right provided by this Section shall be charged to and assessed against the violating Owner.

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

7.03 FORCIBLE DETAINER: In the event that an Owner is delinquent in payment of his proportionate share of the Common Expenses or any other charges or payments required to be paid by the Owner hereunder, the Board shall have the right to take possession of the Owner's Dwelling Unit and to maintain for the benefit of all other Owners an action for possession in the manner prescribed by "An Act in Regard to Forcible Entry and Detainer" (as may be recodified), as provided in the Act.

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

7.05 COSTS AND EXPENSES: All expenses incurred by the Board in connection with the actions, proceedings or self-help in connection with the exercise of its rights and remedies under this Article, including without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the contract rate of interest then permitted in Illinois until paid, shall be charged to and assessed against the defaulting Owner, and the Association shall have a lien for all the same upon his Unit Ownership, as provided in Section 6.01.

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

ARTICLE EIGHT Annexing Additional Property

8.01 IN GENERAL: Declarant and Developer reserve the right, from time to time prior to 7 years from the date of Recording of this Declaration, to add portions of the Development Area to the Condominium Property and submit such portions to the Act and this Declaration by Recording a supplement to this Declaration (a "Supplemental Declaration"), as hereinafter provided. For the purposes of this Article, any portion of the Development Area which is made subject to the Act and this Declaration as part of

the Condominium Property by a Supplemental Declaration shall be referred to as "Added Property", any Dwelling Units in the Added Property shall be referred to as "Added Dwelling Units". In making Added Property subject to the Act and this Declaration, the following shall apply:

(a) Any buildings located on Added Property shall be substantially similar in design and construction to the buildings which are initially planned to be subject to this Declaration.

(b) Added Property may be made subject to the Declaration at different times; there is no limitation on the order in which Added Property may be made subject to this Declaration; and no particular portion of the Development Area must be made subject to this Declaration.

(c) The maximum number of Dwelling Units which may be made subject to this Declaration is 96.

(d) Any Added Dwelling Units which are made subject to this Declaration pursuant to this Article Eight shall be compatible with or of substantially the same style, floor plan, size and quality as the Dwelling Units initially made subject to this Declaration.

(e) A Supplemental Declaration may include such complementary additions or modifications of the provisions of this Declaration as are necessary to reflect or provide for differences in the character, if any, of the Added Property.

8.02 POWER TO AMEND: In furtherance of the foregoing, Developer and/or Declarant reserves the right to Record a Supplemental Declaration, at any time and from time to time prior to 7 years from the date of Recording of the Declaration, which amends Exhibits B, C, and D hereto, subject to the following limitations:

(a) Exhibit B may only be amended to add portions of the Development Area to Exhibit B;

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

(c) Exhibit D may only be amended to reflect the addition of the Added Dwelling Units, to assign to each Added Dwelling Unit an Undivided Interest, and to reassign an Undivided Interest to each Dwelling Unit shown on Exhibit D immediately prior to the Recording of such Supplemental Declaration.

(d) The Administrator must consent to the Recording of each Supplemental Declaration.

8.03 EFFECT OF AMENDMENT: Upon the Recording of a Supplemental Declaration by Developer and/or Declarant which makes Added Property subject to this Declaration, as provided in this Article, then:

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

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

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

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

ARTICLE NINE Amendments

9.01 SPECIAL AMENDMENT: Developer and/or Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities,

(ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Act or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer and/or Declarant and the Board to vote in favor of, make, and/or consent to a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be; provided, however, that any such Special Amendment be approved in writing by the Village. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Developer and/or Declarant and the Board to vote in favor of, make, execute and/or Record Special Amendments. The right of the Developer and Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant or Developer no longer holds or controls title to a portion of the Development Area.

9.02 AMENDMENT BY OWNERS: Subject to the provisions of Article Eight, Section 9.01 and Article Ten, and except as otherwise provided in Sections 5.06 and 5.07 and the Act, the provisions of this Declaration may be amended, modified, enlarged or otherwise changed in whole or in part with the prior written approval of the Village and by the affirmative vote of Voting Members (either in person or by proxy) for Unit Ownerships representing at least 75% of the Undivided Interest or by an instrument executed by Owners of Unit Ownerships representing at least 75% of the Undivided Interests, except that (i) the provisions relating to the rights of Declarant or Developer may be amended only with the written consent of the Developer and (ii) the provisions of Article Ten and the provisions of this Article may be amended only with the written consent of all Owners. No amendment shall become effective until Recorded.

ARTICLE TEN First Mortgagee's Rights

10.01 NOTICE TO FIRST MORTGAGEES: Each Owner shall notify the Association of the name and address of the First Mortgagee of his Unit or its servicing agent, 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. Each First Mortgagee or its agent shall have the right to examine the books and records of the Association at any reasonable time and to have an audited

statement of the Association's operations prepared for a fiscal year at its own expense. Upon the specific written request of a First Mortgagee to the Board, the First Mortgagee shall receive some or all of the following as designated in the request:

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

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

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

(d) Notice of any proposed action which would require the consent of a specified percentage of First Mortgagees pursuant to Section 10.02;

(e) Notice of substantial damage to or destruction of any Dwelling Unit (in excess of \$1,000) or any part of the Common Elements (in excess of \$10,000);

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

(g) Notice of any default of the Owner of the Dwelling Unit which is subject to the First Mortgagee's mortgage, where such default is not cured by the Owner within 30 days after the giving of notice by the Association to the Owner of the existence of the default. The request of a First Mortgagee shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association. Failure of the Association to provide any of the foregoing to a First Mortgagee who has made a proper request therefor shall not affect the validity of any action which is related to any of the foregoing. The Association need not inquire into the validity of any request made by a First Mortgagee hereunder and in the event of multiple requests from purported First Mortgagees of the same Unit Ownership, the Association shall honor the most recent request received.

10.02 CONSENT OF FIRST MORTGAGEES:

(a) In addition to any requirements or prerequisites provided for elsewhere in this Declaration, the consent of First

Mortgagees holding, in the aggregate, First Mortgages on at least two-thirds (2/3) of the Unit Ownerships (by number) which are subject to First Mortgages will be required for the Association to do or permit to be done any of the following:

(1) Adoption of an amendment to this Declaration which (i) changes the Undivided Interests (except as permitted in Article Eight hereof), (ii) changes Section 6.10 or Article Nine, (iii) changes Article Ten or any other provision of this Declaration or the By-Laws which specifically grants rights of First Mortgagees, (iv) materially changes insurance and fidelity bond requirements, or (v) imposes a right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Unit Ownership;

(2) The abandonment or termination of the condominium;

(3) The partition or subdivision of a Dwelling Unit;

(4) 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 Condominium 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);

(5) The sale of the Condominium Property;

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

(7) The effectuation of a decision by the Association to terminate professional management and assume self-management of the condominium;

(8) The use of hazard insurance proceeds for losses to the Condominium Property (whether to Dwelling Units or to the Common Elements) for other than the repair, replacement, or reconstruction of such Dwelling Units or Common Elements; provided, that, such consent of First Mortgagees will not be required with respect to any action under (1) through (8) above which occurs as a result of (i) substantial damage due to fire or other casualty (including, without limitation, action taken pursuant to Section 5.06); or (ii) a taking of a portion or all of the Condominium Property by condemnation or eminent domain (including, without limitation, action taken pursuant to Section 5.07).

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

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

10.04 REGULATORY AGREEMENT: Anything herein to the contrary notwithstanding, this Declaration, as it relates to the administration of the Condominium Property, shall be subject to the Regulatory Agreement, if any, for so long as the Regulatory Agreement shall be in effect. In the event of any conflicts between the provisions of the Regulatory Agreement and the provisions of this Declaration or any other Exhibit hereto, the provisions of the Regulatory Agreement shall govern. While the Regulatory Agreement is in effect, a violation of the Regulatory Agreement by an Owner, tenant or occupant of a Dwelling Unit shall be a default hereunder and the provisions of Article Seven shall apply.

10.05 COMMISSIONER APPROVALS: Anything herein to the contrary notwithstanding, whenever this Declaration or the By-Laws provide for the approval or consent of the Commissioner, such approval or consent shall not be required unless the Regulatory Agreement is in full force and effect and shall be deemed granted unless the party seeking the consent is advised to the contrary in writing by the Commissioner within 30 days of making such request.

10.06 ADMINISTRATOR APPROVALS: Anything herein to the contrary notwithstanding, whenever this Declaration or the By-Laws provide for the approval or consent of the Administrator, such approval or consent shall not be required unless the Administrator (a) has issued its condominium project approval of the condominium and such project approval has not terminated, (b)

has issued a guarantee of the first mortgage on at least one Dwelling Unit which guarantee is then outstanding, (c) is the owner or holder of a first mortgage on a Dwelling Unit or (d) is the Owner of a Dwelling Unit. Whenever required, the consent of the Administrator shall be deemed granted unless the party seeking the consent is advised to the contrary in writing by the Administrator within 30 days after making the request for consent.

ARTICLE ELEVEN
Developer's Reserved Rights

11.01 IN GENERAL: In addition to any rights or powers reserved of this Article and any other provisions of this Declaration or the By-Laws, the provisions of this Article shall govern. Except as otherwise provided in this Article, Developer's rights under this Article shall terminate at such time as the Declarant or the Developer is no longer vested with or controls title to a portion of the Dwelling Unit.

11.02 PROMOTION EFFORTS: Developer shall have the right, in its discretion, to maintain on the Parcel model Dwelling Units, sales and leasing offices, displays, signs and other forms of advertising and, to the extent not prohibited by law, to come upon any portion of the Condominium Property for the purpose of showing the Condominium Property to prospective purchasers or lessees of Dwelling Units, all without the payment of any fee or charge whatsoever. The Developer shall have a non-exclusive access easement over and across the roads and walkways located on the Condominium Property for ingress and egress to and from those portions of the Development Area which have not been made subject to the Act and this Declaration in order to exercise the rights reserved under this Section and Section 11.03 below. The Developer or Declarant shall have the right and power to sell or lease a Dwelling Unit to whomever it choses on whatever terms it, in its sole discretion, shall deem appropriate.

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

11.04 CONTROL OF BOARD: Until the initial meeting of the Owners (which shall occur no later than the Turnover Date) and the election of the initial Board as provided for in the By-Laws, the rights, titles, powers, privileges, trusts, duties and

obligations vested in or imposed upon the Board by the Act, this Declaration or the By-Laws shall be held and performed by the Developer. The Developer may hold and perform such rights and obligations through the Board which, prior to the initial meeting, shall consist of three individuals designated by the Developer from time to time. If the initial Board of Directors is not elected by the Owners at the time so established, the Developer or Directors designated by the Developer shall continue in office for a period of 30 days whereupon written notice of resignation shall be sent to all Unit Owners entitled to vote at such election. Prior to the Turnover Date, Developer may appoint from among the Owners three non-voting counselors to Board, who shall serve at the pleasure of Developer.

ARTICLE TWELVE
Village of Schaumburg Rights

12.01 IN GENERAL: In addition to any rights, powers or easements granted to the Village of Schaumburg elsewhere in this Declaration, the Village of Schaumburg shall have the rights, powers and easements set forth in this Article.

12.02 EASEMENTS: The Village of Schaumburg is hereby granted the right and easement of access over, across and through the Property for any purposes reasonably related to the proper exercise of the rights and powers of the Village of Schaumburg including, without limitation, the right and easement (i) to come upon the Common Elements for the purpose of reading water meters installed by or on behalf of the Village of Schaumburg and (ii) to come upon the Property and to install, lay, construct, renew, operate, maintain, repair and replace lines, pipes, pumps and other equipment (including housings for such equipment) into, over, under, along, and through the Property (including both the Common Elements and Units) for the purpose of providing water, storm sewer and sanitary sewer services and storm water detention areas, if any, to the Development Area or any part or parts thereof and to adjacent property.

12.03 MAINTENANCE: The Association shall maintain the Common Elements in compliance with all applicable laws and ordinances of the Village of Schaumburg and all governmental bodies having jurisdiction over the Property, as such laws and ordinances may be amended and enforced from time to time. Without limiting the foregoing, the Association shall:

(a) maintain all Common Elements free from accumulation of debris and growth of weeds;

(b) maintain all buildings and structures in the Common Elements in accordance with applicable building, safety and other codes and ordinances;

(c) maintain all parkway areas on dedicated rights of way as a Common Expense; and

(d) otherwise maintain the Common Elements in such manner as to not be detrimental to the health, safety and welfare of the residents of the Village of Schaumburg and the residents of the Village of Schaumburg and the residents of the condominium and members of the Association.

12.04 PARKING REGULATIONS: The Village of Schaumburg shall have the right and power to pass ordinances regulating traffic flow, fire lanes and "no parking" areas with respect to the Common Elements. The Village of Schaumburg shall have the right and power to issue citations to persons violating any such ordinances and/or to cause violating automobiles to be removed from the Property in the event of a parking violation.

12.05 LIMITATION OF LIABILITY/INDEMNITY: If the Village of Schaumburg comes upon the Property pursuant to the rights, powers and easements granted or provided for in this Declaration the following shall apply:

(a) If the Village of Schaumburg deems it necessary or appropriate to excavate in order to repair driveways, sidewalks or utilities for which it is responsible, the Village will be required to fill the excavated hole to ground level (after settling) and to seed or sod the filled area. The Village shall be responsible for repairing any other damage caused to the Condominium Property as a result of or in connection with any repair of streets, sidewalks and utilities by the Village of Schaumburg; and

(b) If a leak occurs in a utility line at a point which is at or near the point where Village ownership of the line ends and the line becomes part of the Common Elements, the repair of the line and any related work done with respect to the Common Elements will be performed and costs thereof shall be paid in the manner in which such matters are then performed and paid for under ordinances, procedures or policies properly adopted by the Village of Schaumburg with respect to such occurrences and in effect at such time.

ARTICLE THIRTEEN
Miscellaneous

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

13.02 **NOTICES:** Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such Owner as it appears on the records of the Association at the time of such mailing, or upon personal delivery to the Owner's Dwelling Unit.

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

13.04 **PERPETUITIES AND OTHER INVALIDITY:** If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provisions, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until 21 years after the death of the survivor of the now living lawful descendants of the President of the United States as of the date of the Recording of this Declaration.

13.05 **ASSIGNMENT BY DEVELOPER OR DECLARANT:** All rights which are specified in this Declaration to be rights of the Developer or Declarant are assignable or transferable. Any successor to, or assignee of, the rights of the Developer or Declarant hereunder shall hold or be entitled to exercise the rights of Developer or Declarant hereunder as fully as if named as such party herein. No party exercising rights as Developer or Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

13.06 **TITLE HOLDING LAND TRUST:** In the event title to any Unit Ownership is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of

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

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on the date first above written.

Haverford at Schaumburg Limited Partnership, an Illinois limited partnership by Kimball Hill, Inc.

By: David K. Hill, Jr.
David K. Hill, Jr., President

ATTEST:

Barbara G. Cooley
Barbara G. Cooley, Secretary

EXHIBIT A
TO
DECLARATION
OF
CONDOMINIUM OWNERSHIP FOR
THE HAVERFORD AT SCHAUMBURG COLONY

The "Development Area", as defined in the Declaration, is legally described as follows:

Lots 10, 12, and 16, inclusive in Haverford at Schaumburg being a Subdivision in the West 1/2 of the Northeast 1/4 of Section 24, Township 41 North, Range 10, East of the Third Principal Meridian in Cook County, Illinois recorded on August 30, 1988 as document no. 88394420.

EXHIBIT B
TO
DECLARATION
OF
CONDOMINIUM OWNERSHIP FOR
THE HAVERFORD AT SCHAUMBURG COLONY

The "Parcel" as defined in the Declaration is legally described as follows:

THAT PART OF LOT 12 IN HAVERFORD AT SCHAUMBURG, BEING A SUBDIVISION IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 30, 1988 AS DOCUMENT NO. 88394420, DESCRIBED AS FOLLOWS; BEGINNING AT THE MOST SOUTHERLY CORNER OF NON-EASEMENT AREA 43 IN SAID LOT 12; THENCE NORTH 30 DEGREES 30 MINUTES 19 SECONDS EAST ALONG THE SOUTHEASTERLY LINE OF SAID NON-EASEMENT AREA 43, 158.00 FEET TO THE NORTHEAST CORNER OF SAID NON-EASEMENT AREA 43; THENCE SOUTH 59 DEGREES 29 MINUTES 51 SECONDS EAST, 64.92 FEET TO AN EASTERLY LINE OF SAID LOT 12, BEING ALSO A WESTERLY LINE OF OUTLOT "J" IN SAID HAVERFORD AT SCHAUMBURG; THENCE SOUTH 26 DEGREES 56 MINUTES 01 SECONDS WEST ALONG SAID LAST DESCRIBED EASTERLY LINE, 5.74 FEET TO A CORNER OF SAID LOT 12; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST ALONG A NORTHERLY LINE OF SAID LOT 12, BEING ALSO A SOUTHERLY LINE OF SAID OUTLOT "J", 60.81 FEET TO AN ANGLE POINT IN SAID LINE; THENCE SOUTH 75 DEGREES 30 MINUTES 55 SECONDS EAST ALONG A NORTHERLY LINE OF SAID LOT 12, BEING ALSO A SOUTHERLY LINE OF SAID OUTLOT "J", 65.64 FEET TO AN ANGLE POINT IN SAID LINE;

THENCE SOUTH 06 DEGREES 23 MINUTES 19 SECONDS WEST, 64.00 FEET;

THENCE SOUTH 44 DEGREES 18 MINUTES 44 SECONDS WEST, 94.63 FEET TO A SOUTHERLY LINE OF SAID LOT 12, BEING ALSO A NORTHERLY LINE OF BRIDLEWOOD COURT IN SAID HAVERFORD AT SCHAUMBURG; THENCE WESTERLY ALONG SAID LAST DESCRIBED LINE, BEING A CURVED LINE CONVEX NORTHERLY AND HAVING A RADIUS OF 55.00 FEET, AN ARC DISTANCE OF 93.44 FEET (THE CHORD OF SAID ARC BEARS NORTH 89 DEGREES 08 MINUTES 31 SECONDS WEST, 82.60 FEET); THENCE NORTH 47 DEGREES 48 MINUTES 44 SECONDS WEST, 34.13 FEET TO THE NORTHEAST CORNER OF NON-EASEMENT AREA 47 IN SAID LOT 12; THENCE NORTH 85 DEGREES 51 MINUTES 59 SECONDS WEST ALONG THE NORTHERLY LINE OF SAID NON-EASEMENT AREA 47, 63.77 FEET; THENCE NORTH 04 DEGREES 08 MINUTES 01 SECONDS EAST, 64.09 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXHIBIT D TO
DECLARATION OF CONDOMINIUM OWNERSHIP FOR
THE HAVERFORD AT SCHAUMBURG COLONY

<u>Unit</u>	<u>Undivided Interest</u>
48-1	19.068
48-2	22.847
48-3	20.904
48-4	18.113
48-5	<u>19.068</u>
	100.000%

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EXHIBIT E

- THE BY-LAWS OF THE
HAVERFORD AT SCHAUMBURG COLONY
CONDOMINIUM ASSOCIATION
AN ILLINOIS NOT-FOR-PROFIT CORPORATION

ARTICLE I
NAME OF CORPORATION

The name of this corporation is the HAVERFORD AT SCHAUMBURG COLONY CONDOMINIUM ASSOCIATION.

ARTICLE II
PURPOSE AND POWERS

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

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

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

ARTICLE III
OFFICES

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

3.02. PRINCIPAL OFFICE: The Association's principal office shall be maintained on the Development Area or at the office of a managing agent engaged by the Association.

ARTICLE IV MEETINGS OF MEMBERS

4.01 VOTING RIGHTS: The Association shall have one class of membership. There shall be one individual with respect to each Dwelling Unit who shall be entitled to vote at any meeting of the Owners (the "Voting Member"). If the Owner of a Dwelling Unit is one individual then such individual shall be the Voting Member. If the Record ownership of a Dwelling Unit shall be in more than one individual or if the Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member shall be designated by the Owner or by a majority of Owners in writing to the Board. If in the case of multiple individual Owners no designation is given and only one of the multiple Owners is present at a meeting of the Owners, then he is entitled to cast all the votes allocated to that Dwelling Unit. If in the case of multiple individual Owners no designation is given and more than one of the multiple Owners are present at a meeting, the votes allocated to that Dwelling Unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners, provided that the Board shall consider a majority agreement if any one of the multiple owners casts the votes allotted to the Dwelling Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Dwelling Unit. Any or all Owners may be present at any meeting of the Owners, but the voting rights shall be vested exclusively in the Voting Members; provided, however, that a Voting Member may vote either in person or by proxy executed and dated in writing by the Voting Member or his duly authorized attorney-in-fact and filed with the secretary before the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Except as otherwise specifically provided in the Declaration, these By-Laws or the Act, each Voting Member shall have one vote.

In the event 30% or fewer of the Dwelling Units, by number, possess over 50% in the aggregate of the votes in the Association, any percentage vote of the Members specified in the Act, or in the Declaration or these By-Laws shall require the specified percentage by number of units rather than the percentage of interest in the Common Elements allocated to the Dwelling Units that would otherwise be applicable.

4.02 PLACE OF MEETING; QUORUM: Meetings of the Owners shall be held on the Condominium Property or at such other place in the Village that is located and convenient to the Owners as may be designated in any notice of a meeting. All meetings shall be

conducted in accordance with the rules and provisions set forth in Roberts Rules of Order, as from time to time published. Voting Members holding 20% of the votes, represented in person or by proxy, shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the Voting Members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the Voting Members, unless a greater proportion is required by the Act, the Declaration or these By-Laws. The affirmative vote of 75% of the votes entitled to be cast shall be required for the following action: (a) merger or consolidation of the Association; and (b) sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the property and assets of the Association. The affirmative vote of 75% of the votes entitled to be cast shall be required for the purchase or sale of land or of Dwelling Units on behalf of all Owners.

4.03 INITIAL INFORMAL MEETINGS: Within 12 months after the issuance of the first certificate of occupancy by the Village for a Dwelling Unit, the Owners shall have an initial informal meeting. Informal meetings of the Owners shall take place annually until the initial annual meeting described in Section 4.04. At the first informal meeting, the Owners shall select individuals to serve on an informal board to meet semi-annually. Owners shall be selected for this informal board based on potential to serve as a member of the Association Board of Directors.

4.04 ANNUAL MEETINGS: The initial meeting of the Owners shall be held upon not less than 21 nor more than 30 days' written notice given by the Developer. If not called earlier by the Developer, the initial meeting of the Owners shall be held no later than after the Turnover Date. Thereafter there shall be an annual meeting of the Owners within 30 days from the anniversary date of the initial annual meeting at such time and on such date designated by the Board.

4.05 SPECIAL MEETINGS: Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Voting Members or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by the President, a majority of the Board or by Voting members representing at least 20% of the votes.

4.06 NOTICE OF MEMBERSHIP MEETINGS: Written notice of any membership meeting shall be mailed or personally delivered and posted conspicuously on the Condominium Property, giving Owners not less than 10 nor more than 30 days notice of the time, place, and purpose of the meeting.

ARTICLE V
BOARD OF DIRECTORS

5.01 IN GENERAL: The affairs of the Association and the direction and administration of the Condominium Property shall be vested in the Board, which (after the Turnover Date) shall consist of 3 persons or such other number of persons as shall be fixed from time to time by the affirmative vote of 50% of the Voting Members ("Directors"). The Board shall have all of the powers granted to it under the Act, the Declaration, these By-Laws and the General Not-For-Profit Corporation Act of the State of Illinois.

5.02 DEVELOPER DESIGNATED BOARDS: Anything herein to the contrary notwithstanding, until the first meeting of the Owners after the Turnover Date the Board shall consist of 3 individuals from time to time designated by the Developer. Such individuals may, but need not, be Owners and shall serve at the discretion of the Developer.

5.03 BOARDS AFTER TURNOVER DATE: At the first meeting of the Owners (which shall be held no later than the Turnover Date) the Voting Members shall elect the initial Board (as provided for in the Act) in the manner hereinafter provided to replace the Developer designated Board established under Section 5.02. The Developer shall give at least 21 days notice of the first meeting of the Owners to elect the initial Board and shall provide to any Owner within 3 working days of a written request from the Owner, the names, addresses and telephone numbers (if available) and the weighted vote of each Owner entitled to vote at such meeting. Any Owner shall be provided with this same information within 3 working days of the request, with respect to each subsequent meeting to elect members of the Board. From and after such meeting, each member of the Board shall be an Owner or a Voting Member, or both and shall reside on the Condominium Property. Within 60 days after the election of a majority of the Board other than those designated by the Developer, the Developer shall deliver to the Board:

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

(b) An accounting of all receipts and expenditures made or received on behalf of the Association by the Developer designated Boards and copies of all insurance policies and a list of any loans or advances to the Association which are outstanding.

(c) All Association funds and bank accounts.

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

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

5.04 ELECTION: At the initial meeting of the Owners, the Voting Members shall elect a full Board of Directors. The two Directors receiving the highest number of votes shall serve a term of two years and the other Director shall serve a term of one year. Thereafter each Director shall serve a term of two years. Each Director shall hold office until his term expires or until his successor shall have been elected and qualified. Directors may succeed themselves in office. In all elections for members of the Board, the Voting Member for each Dwelling Unit shall be entitled to the number of votes equal to the number of Directors to be elected multiplied by the number of votes to which such Voting member is entitled (cumulative voting shall not be permitted). The candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.

5.05 ANNUAL MEETINGS: The Board shall hold an annual meeting within 10 days after the annual meeting of the Owners at such place within the Village as shall be fixed by the Directors at the annual meeting of the Owners.

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

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

5.08 NOTICE OF BOARD MEETINGS: Notice of each meeting of the Board shall be mailed or personally delivered to each Director at least 48 hours prior to the meeting and notice of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment shall be given to each Owner in the same manner as provided in Section 4.05 of these By-Laws, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened.

5.09 OPEN MEETINGS: Each meeting of the Board shall be open to any Owner except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the Association or an Owner's unpaid share of common expenses. Any vote taken on any of the matters set forth in subparagraphs (i), (ii) or (iii) above shall be taken at a meeting or portion thereof open to any Owner. If required under the Act, notice of such meeting shall be mailed or personally delivered and posted conspicuously upon the Condominium Property at least 48 hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened. The Board may adopt reasonable rules governing the conduct of Owners who attend meetings and Owners who do not comply with such rules may be removed from the meeting. Any Owner may record the proceedings at a meeting required to be open by tape, film or other means and the Board may prescribe reasonable rules and regulations to govern the right to make such recordings.

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

5.11 COMPENSATION/REIMBURSEMENT FOR EXPENSES: No Director shall be compensated by the Association for services rendered to the Association, except as expressly provided in a resolution duly adopted by the Voting Members and approved by the Commissioner. Upon the presentation of receipts or other appropriate documentation, a Director shall be reimbursed by the

Association for reasonable out-of-pocket expenses incurred in the course of the performance of his duties as a Director.

5.12 REPRESENTATIVE TO MASTER ASSOCIATION BOARD OF DIRECTORS:

The Master Declaration provides that the Association shall have one Association Delegate, as defined in the Master Association Declaration who shall be the President of the Association's Board of Directors. In the event the Association President is elected President of the Master Association, then the Vice President of the Association shall be the Association Delegate, as well as the Association's President.

5.13 REMOVAL OR RESIGNATION OF DIRECTOR: Any Director may be removed from office, with or without cause, by action of the Voting Members at any annual meeting or at a special meeting called for such purpose. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Any Director may resign at any time by submitting his written resignation to the Board. If a Director ceases to be an Owner or a Voting Member, or no longer reside on the Condominium Property, he shall be deemed to have resigned as of the date of such cessation.

A successor to fill the unexpired term of a Director who resigns or is removed may be appointed by a two-thirds (2/3) majority of the remaining Directors to serve until the next meeting of the Owners or for a period terminating no later than 30 days following the filing of a petition signed by the Owners holding 20% of the votes of the Association requesting a meeting of the Owners to fill the vacancy for the balance of the term. Such meeting of the Owners shall be called for purposes of filling a vacancy on the Board no later than 30 days following the filing of a petition signed by the Owners holding 20% of the votes of the Association requesting such a meeting.

5.14 POWERS AND DUTIES OF THE BOARD: The Board shall have all of the powers and duties granted to it or imposed upon it by the Act, the Declaration, these By-Laws, and the Illinois General Not-For-Profit Corporation Act, including, without limitation, the following powers and duties:

- (a) To procure insurance as provided for in the Declaration;
- (b) To engage the services of a manager or managing agent to assist the Association in performing and providing such services as the Association is required to provide to its members under the Declaration;
- (c) To provide for the designation, hiring and removal of such employees and such other personnel, including attorneys and accountants, as the Board may, in its discretion, deem necessary or proper for the effective administration of the Association;

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- (d) To provide for any maintenance, repair, alteration, addition, improvement or replacement of the Common Elements for which the Association is responsible under the Declaration and these By-Laws;
- (e) To estimate and provide each Owner with an annual budget showing as provided for in the Declaration;
- (f) To set, give notice of, and collect assessments from the Owners as provided in the Declaration;
- (g) To pay the Common Expenses;
- (h) To adopt rules and regulations as provided in the Declaration;
- (i) To delegate the exercise of its power to committees appointed pursuant to Section 7.01 of these By-Laws;
- (j) To own, convey, encumber, lease, or otherwise deal with Dwelling Units or other real property conveyed to or purchased by the Association;
- (k) To keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Condominium Property;
- (l) To pay real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the condominium;
- (m) To impose charges for late payments of an Owner's proportionate share of the Common Expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levy reasonable fines for violation of the Declaration, By-Laws, and rules and regulations of the Association;
- (n) To assign the Association's right to future income, including the right to receive common expenses;
- (o) To record the dedication of a portion of the Common Elements to a public body for use as, or in connection with, a street or utility where authorized by the Owners under the provisions of the Act;
- (p) To record the granting of an easement for the laying of cable television cable where authorized by the unit owners under the provisions of Section 2.08(b) of the Declaration; and

(q) To promptly pay assessments to the Master Association as levied and to collect assessments of the Master Association from the Owners as provided in the Master Declaration.

ARTICLE VI OFFICERS

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

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

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

(a) The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Owners and at all meetings of the Board and shall execute amendments to the Declaration and these By-Laws, as provided for in the Act, the Declaration and these By-Laws, and shall serve as one of the representative of the Association on the Board of Directors of the Master Association as an Associate Delegate;

(b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office, other duties assigned by the Board, and shall serve as an Associate Delegate as the representative of the Association on the Board of Directors of the Master Association, if the Association President is elected President of the Master Association. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to act in the capacity of President on an interim basis;

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

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

6.04 OFFICERS' COMPENSATION: The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the Voting officers.

ARTICLE VII COMMITTEES DESIGNATED BY BOARD

7.01 BOARD COMMITTEES: The Board, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent consistent with law and as provided in said resolution, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.

7.02 SPECIAL COMMITTEES: Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Owners and the President of the Association shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal.

7.03 TERM: Each member of a committee shall continue as such until the next annual meeting of the Board and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

7.04 CHAIRMAN: One member of each committee shall be appointed chairman.

7.05 VACANCIES: Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

7.06 QUORUM: Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7.07 RULES: Each committee may adopt rules for its own government not inconsistent with the Declaration, these By-Laws or with rules adopted by the Board.

ARTICLE VIII
INSTRUMENTS, CHECKS, DEPOSITS AND FUNDS

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

8.02 PAYMENTS: All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association.

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

8.04 SPECIAL RECEIPTS: The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

ARTICLE IX
FISCAL MANAGEMENT

9.01 FISCAL YEAR: The fiscal year of the Association shall be determined by the Board and may be changed from time to time, as the Board deems advisable.

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

9.03 ASSESSMENT PROCEDURE: Annual assessments and special assessments shall be made and collected as provided in Article Six of the Declaration, and the provisions of Article Six are incorporated herein by reference.

If an adopted budget requires assessment against the Owners in any fiscal year exceeding 115% of the assessments for the preceding year, the Board, upon written petition by Owners with 20% of the votes of the Association filed within 14 days of the Board action, shall call a meeting of the Owners within 30 days of the date of filing of the petition to consider the budget. Unless a majority of the votes of the Owners are cast at the meeting to reject the budget, it is ratified, whether or not a quorum is present. In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium Property, and anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation.

Neither the Association nor the Board shall have authority to forebear the payment of assessments by any Owner.

ARTICLE X BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the members. All books and records of the Association may be inspected by any Owner, or his agent, mortgagee or attorney, for any proper purpose at any reasonable time.

ARTICLE XI SEAL

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

ARTICLE XII
AMENDMENTS

These By-Laws may be amended or modified at any time, or from time to time in the same manner as provided in Section 9.02 of the Declaration; provided, that no provision of these By-Laws may be amended or modified so as to conflict with the provisions of the Declaration or the Act. These By-Laws may also be amended by the Developer for the purposes and by the procedure set forth in Section 9.01 of the Declaration. No amendment to these By-Laws shall become effective until approved in writing by the Village and Recorded.