

CHESTNUT HILLS ASSOCIATION

BY-LAWS

By-Laws of Association

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ARTICLE I

Member (Owner)

Section 1. Eligibility. The members of CHESTNUT HILLS ASSOCIATION, an Illinois not-for-profit organization, shall consist of the respective Owner of the Property located in the Village of Flossmoor, Illinois (called "Property"), in accordance with the respective percentage of ownership interest in the Common Elements of the Property owned by the respective Owner (these and other terms are used in these By-Laws as they are defined in the CHESTNUT HILLS ASSOCIATION Declaration of Covenants, Conditions and Restrictions, which Declaration is recorded in the Office of the Recorder of Deeds of Cook County, Illinois. The words "member" or "members" as used in these By-Laws mean and shall refer to "Owner" as defined in the Declaration).

Section 2. Succession. The membership of each Owner shall terminate when he ceases to be an Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest, together with the specific Garage Unit or parking space assigned to the Owner.

Section 3. Regular Meetings. Meetings of Owners shall be held at such place in Cook County, Illinois, as may be specified in the notice of the meeting. The first regular annual meeting of Owners (the "First Meeting") shall be held not less than sixty (60) days after Trustee has sold and delivered its deed for at least 51% of the Lots or Living Units. For purposes of this provision, 51% of the Lots or Living Units shall mean Lots or Living Units which correspond, in the aggregate, to 51% of the ownership interest in the Common Elements, as set forth in Exhibit "B" of the Declaration. Subsequent to the First Meeting, there shall

be a regular annual meeting of Owners held each year on the anniversary of the First Meeting. All such meetings of Owners shall be held at such place in Cook County, Illinois, and at such time as specified in the written notice of such meeting which shall be delivered to all Owners at least ten (10) days prior to the date of such meeting.

Section 4. Special Meetings. Special meetings of the Owners may be called by the President or by a majority of the directors of the Board, or by Owners having at least three-fifths (3/5) of the votes entitled to be at such meeting. Said special meetings shall be called by delivering written notice to all Owners not less than ten (10) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered.

Section 5. Delivery of Notice of Meetings. Notices of meetings may be delivered either personally or by mail to an Owner at the address given to the Board by said Owner for such purpose, or to the Owner's Lot or Living Unit, if no address for such purpose has been given to the Board.

Section 6. Voting. The aggregate number of votes for all Owners shall be one hundred (100), and shall be divided among the respective Owners in accordance with their respective percentages of ownership interest in the Common Elements. If any Owner consists of more than one person, the voting rights of such Owner shall not be divided but shall be exercised as if the Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Owner. The Trustee may exercise the voting rights with respect to Lots or Living Units owned by it.

Section 7. Quorum. A quorum of Owners for any meeting shall be constituted by Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

ARTICLE II

Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (sometimes referred to

herein as the "Board") shall consist of nine (9) members (hereinafter referred to as "Directors"). Directors shall be elected by a majority of the votes present at the regular annual meeting of Association members, except that the Directors listed in the Articles of Incorporation of the Association (hereinafter called "Members of the First Board") shall be appointed by the beneficiaries of the Trustee. Every Director, except for six (6) members of the First Board, shall hold office for the term of three (3) years and until his successor shall be elected and qualified. Three (3) Members of the First Board shall hold office only until the first regular meeting of Association members, and three (3) other Members of the First Board shall hold office only until the second regular annual meeting of Association members.

Section 2. Qualification. Each Director shall be an Owner or the spouse of an Owner (or, if an Owner is a corporation, partnership or trust, a Director may be an officer, partner or beneficiary of such Owner), except for Members of the First Board. If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a Director and his place on the Board shall be deemed vacant.

Section 3. Vacancies. Any vacancy occurring in the Board may be filled by majority vote of the remaining members thereof, and any Director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Director which he succeeds.

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

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

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

Section 7. Quorum. Five (5) Directors shall constitute a quorum.

Section 8. Powers and Duties. The Board shall have the following powers and duties:

(a) To elect and remove the officers of the Association as hereinafter provided;

(b) To administer the affairs of the Association and the Property;

(c) To engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the initial Board, elected as provided herein, shall ratify and approve the Management Agreement between the Trustee, on behalf of the Association, and a management corporation, which will be a corporation related to the beneficiary of the Trustee, to act as Managing Agent for the Property at a fixed annual rate of Thirty Six Thousand Dollars (\$36,000.00) for a term of three (3) years after eighty percent (80%) of the Lots or Living Units are sold, which ratification and approval shall not be subject to the provisions of Article IV, Section 5 hereof;

(d) To formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

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

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

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

(h) To appoint committees of the Board and to ~~delegate to such committees the Board's authority to carry out certain duties of the Board;~~

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

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

(k) To exercise all other powers and duties of the Board or Owners as a group referred to in the Declaration and all powers and duties of a board of managers or a Board of Directors referred to in the Declaration or these By-Laws.

Section 9. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Owners.

ARTICLE III

Officers

Section 1. Designation. At each regular annual meeting, the Directors present at said meeting shall elect the following officers of the Association by a majority vote:

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

(b) A Vice President, who shall assist the President and assume his duties in the President's absence;

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

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

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

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

Section 3. Term of Office. Each officer shall hold office for the term of three (3) years and until his successor shall have been appointed or elected and qualified, except as stated herein in Article II.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of said Board. Any Director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by the Board at a special meeting thereof.

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

ARTICLE IV

Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, legal and accounting fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power and all other common expenses. The annual budget shall also take into account the estimated net available cash income for the year from the operation or use of the Common Elements or any other income

producing operation within the Association. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board. To the extent that the assessments and other cash income collected from the Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Owner, not later than ninety (90) days after the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Owner shall pay, as his respective monthly assessment for the common expenses one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Owner shall be in accordance with his respective ownership interest in the Common Elements as set forth in Exhibit "B" of the Declaration. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Owner shall continue to pay each month the amount to his respective monthly assessment as last determined. Each Owner shall pay his monthly assessment on or before the first day of each month to the manager or Managing Agent or as may be otherwise directed by the Board. No Owner shall be relieved of his obligation to pay his assessments for common expenses by abandoning or not using his Lot or Living Unit or the Common Elements.

Section 3. Annual Report. Within ninety (90) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 4. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are

insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Owner, and thereupon a supplemental assessment shall be made to each Owner for his proportionate share of such supplemental budget.

Section 5. Capital Expenditures. Except for the Management Agreement and the Lease Agreement described in Article II, Section 8(c) hereof, and capital expenditures and contracts specifically authorized by the Declaration and By-Laws, the Board shall not approve any capital expenditure in excess of Ten Thousand Dollars (\$10,000.00) unless required for emergency, repair, protection or operation of the Common Elements, nor enter any contract for more than five (5) years without the prior approval of two-thirds (2/3) of the total ownership of the Common Elements.

Section 6. Lien. It shall be the duty of every Owner to pay his proportionate share of the common expenses, in the same ratio as his percentage of ownership in the Common Elements as set forth in the Declaration, and as assessed in the manner herein provided. If any Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof shall constitute a lien on the interest of such Owner in the Property, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the said mortgage owner or holder either takes possession of the Lot or Living Unit, accepts a conveyance of any interest therein (other than as security) or files suit to foreclose its mortgage, and causes a receiver to be appointed. The Association or its successors and assigns, or the Board or its agent shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due, the costs of said suits and other fees and expenses (together with legal interest) and reasonable attorneys' fees to be fixed by the court. Furthermore, if any Owner shall fail or refuse to pay when due his proportionate share of the common expenses and such Owner withholds possession of his Lot or Living Unit after demand by the Board or the Association in writing

setting forth the amount claimed, the Board or the Association shall have the right to possession of such Lot or Living Unit until the Owner has brought current his assessment together with the other costs, fees and expenses incurred by the Board or the Association.

The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Declaration, the Forcible Entry and Detainer Act, the Declaration or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 7. Discharge of Liens. The Board of Directors may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than against a particular Lot or Living Unit ownership only. 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 attorneys' fees, incurred by reason of such lien.

Section 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

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

Section 9. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Owners in the percentages set forth in Exhibit "B".

ARTICLE V

Use and Occupancy Restrictions

Section 1. General. No unlawful, noxious or offensive activities shall be carried on in any Lot or Living Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others. Each Owner shall maintain his Lot or Living Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Lot or Living Unit which may increase the cost or cause the cancellation of insurance on other Lots or Living Units or on the Common Elements. No Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Lot or Living Unit (other than draperies, curtains or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Lot or Living Unit, or install outside his Lot or Living Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Association or Board or manager or Managing Agent. No Owner of a Lot or Living Unit shall display, hang, store or use any sign outside his Lot or Living Unit, in a hallway or elsewhere, or which may be visible from the outside of his Lot or Living Unit without the prior written permission of the Association or Board or manager or Managing Agent.

Section 2. Animals. No animals shall be raised, bred or kept in any Lot or Living Unit, except for dogs, cats or other household pets of an Owner, provided that they are not kept for any commercial purposes, and provided that they shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and provided that they shall not, in the judgment of the Board, constitute a nuisance of others.

Section 3. Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board.

Section 4. Use by Trustee. During the period of sale of the Lots or Living Units in the Property by the Trustee, the Trustee and its agents, contractors and sub-contractors, and their respective agents and employees, shall be entitled to access, ingress and egress to said building and Property as may be required. While the Trustee owns any of the Lots or Living Units and until each Lot or Living Unit sold by it is occupied by the purchasers, the Trustee and its employees may use and show one or more of such unsold or unoccupied Lots or Living Units as a model apartment or apartments and may use one or more of such unsold or unoccupied Lots or Living Units or one or more of the common rooms as a sales office, and may maintain customary signs in connection therewith.

Section 5. Storage. Articles of personal property belonging to any Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in the corridors, hallways, lobby or other common areas, except in the storage area specifically designated for the respective Owner by the Board or the Managing Agent.

Section 6. Wiring. No Owner shall overload the electric wiring in the building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior written consent of the Association, Board or Managing Agent.

ARTICLE VI

Contractual Powers

No contract or other transaction between this corporation and one or more of its Directors or between this corporation and any corporation, firm or association in which one or more of the Directors of this corporation are directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) The fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) The contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VII

Amendments

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

ARTICLE VIII

Indemnification

Section 1. General. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that he is or was a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees). Judgments, fines and amounts paid in settlement actually and reasonably incurred by or imposed on him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any

criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which is reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

The Association shall indemnify any person who was or is a party, or is threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, except that indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association.

Section 2. Success on Merits. To the extent that a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1., or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 3. Determination that Indemnification is Proper. Any indemnification under Section 1. shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board of Directors or the officer or the member of such committee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of those Directors who were not parties to such action, suit or proceeding; or (b) if such a quorum is

not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or (c) by a majority of the members of the Association.

Section 4. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the member of the Board of Directors or the officer or the member of such committee to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

Section 5. Non-Exclusivity. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person who has ceased to be a member of the Board of Directors or an officer or a member of such committee, and shall inure to the benefit of the heirs, executors and administrators of such a person.

DECLARATION OF CONDOMINIUM OWNERSHIP
 AND OF
 EASEMENTS, RESTRICTIONS, COVENANTS AND BY-LAWS
 CHESTNUT HILL CONDOMINIUM NO. 2

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DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF
EASEMENTS, RESTRICTIONS, COVENANTS AND BY-LAWS
CHESTNUT HILL CONDOMINIUM NO. 2

THIS DECLARATION made and entered into by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under Trust No. 32647, and not individually, for convenience hereinafter referred to as the "Trustee":

W I T N E S S E T H: THAT

WHEREAS, the Trustee is the legal titleholder of the real estate (located in Flossmoor, Illinois,) described in Exhibit C attached hereto and made a part hereof; and

WHEREAS, the above described real estate is improved with a building containing eight (8) residential units; and

WHEREAS, it is the desire and intention of the Trustee to enable said real estate together with the building, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "Property"), to be owned by Trustee and by each successor in interest of Trustee, under that certain type or method of ownership commonly known as "CONDOMINIUM", and to submit the Property to the provisions of the "Condominium Property Act" of the State of Illinois, as amended from time to time; and

WHEREAS, THE Trustee, acting under direction of the parties authorized to direct the Trustee, has elected to establish, for the benefit of such Trustee and for the mutual benefit of all future owners or occupants of the property, or any part thereof, which shall be known as "CHESTNUT HILL

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CONDOMINIUM NO. 2 ", certain easements and rights in, over and upon said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, the Trustee has further elected to declare that the several owners, mortgagees, occupants, and other persons acquiring any interest in the property shall at all times enjoy the benefits of, and shall at all times hold their interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the co-operative aspect of ownership and to facilitate the proper administration of such property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the property.

NOW, THEREFORE, the AMERICAN NATIONAL BANK, as Trustee aforesaid and not individually, as the legal titleholder of the real estate hereinbefore described, and for the purposes above set forth, DECLARES AS FOLLOWS:

ARTICLE I

DEFINITIONS

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

DECLARATION:

This instrument by which the property is submitted to the provisions of the Condominium Property Act of the State of Illinois, and such Declaration as from time to time amended.

PARCEL:

The entire tract of real estate described in Exhibit C.

BUILDING:

The building located on the Parcel containing eight (8) Units, as more specifically hereafter described in Article II.

PROPERTY:

All the land, property and space comprising the Parcel, all improvements and structures erected, constructed or contained therein or thereon, including the Building and all easements, rights and appurtenances belonging thereto, and all fixtures and property intended for the mutual use, benefit or enjoyment of the Unit owners.

UNIT:

A part of the Property designed and intended for a one-family dwelling.

COMMON ELEMENTS:

All portions of the Property except the Units, including Limited Common Elements unless otherwise specified.

UNIT OWNERSHIP:

A part of the Property consisting of one Unit and the undivided interest in the Common Elements appurtenant thereto.

ENCLOSED GARAGE:

The part of the Limited Common Elements of the Building for off-street, enclosed parking of automobiles.

ENCLOSED GARAGE PARKING SPACE:

The part of the Limited Common Elements of the Building for off-street, enclosed parking of one automobile.

PARKING AREA:

The part of the Common Elements, if any, provided for off-street, outside parking of automobiles, including driveways.

PERSON:

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

OWNER:

The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit. For the purposes of Article VIII hereof, unless otherwise specifically provided therein, the word "Owner" shall include any beneficiary of a trust, shareholder of a corporation or partner of a partnership holding legal title to a Unit.

OCCUPANT:

Person or persons, other than an Owner, in possession of a Unit.

COMMON EXPENSES:

The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board of Managers of the Unit Owner's Association.

STORAGE SPACE:

That part of the limited common elements which is adjacent to the Enclosed Garage and which may be used only for the storage of personal property subject to any reasonable and nondiscriminatory rules passed by the Association.

RESERVES:

Those sums paid by Unit Owners which are separately maintained by the Board of Managers for purposes specified by the Board of Managers or the Condominium instruments.

CONDOMINIUM INSTRUMENTS:

This Declaration and plat, the by-laws of the Unit Owner's Association, and any other documents, and all amendments thereto, recorded pursuant to the provisions of the Illinois Condominium Act.

**UNIT OWNERS' ASSOCIATION
or "ASSOCIATION":**

The association of all Unit Owners, acting pursuant to by-laws, through its duly elected Board of Managers.

DEVELOPER:

Brant Construction Company, a corporation, or its successor in interest as beneficiary of the Trustee.

LIMITED COMMON ELEMENT

A portion of the common elements so designated herein as being reserved for the use of a certain Unit or Units to the exclusion of other Units including, but not limited to, storage and parking spaces in the enclosed garage, courtyards, entrance and existing balconies, terraces, patios and driveways.

**CHESTNUT HILL ASSOCIATION
DECLARATION:**

The Declaration of Covenants, Conditions and Restrictions executed by the Trustee, and heretofore recorded or registered in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. LR-283428 and all supplementary declarations made or to be made pursuant thereto, and all amendments thereof.

CHESTNUT HILL ASSOCIATION:

The Chestnut Hill Association, an Illinois not-for-profit corporation, formed pursuant to the Chestnut Hill Association Declaration.

ARTICLE 11

UNITS

1. Description and Ownership. All Units located on the Parcel are legally described as delineated on the survey attached hereto and made a part hereof as Exhibit "A", which survey is of the parcel of real estate legally described in Exhibit C. It is understood that each Unit consists of the space enclosed or bounded by the horizontal and vertical planes set forth in the delineation thereof on Exhibit "A". The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on Exhibit "A". Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit "A", and every such description shall be deemed good and sufficient for all purposes. Except as provided by the Condominium Property Act, no Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his unit to be separated into any tracts or parcels different from the whole Unit as shown on Exhibit "A".

2. Survey of Completed Units. It is understood that the Building may be substantially, but not wholly, completed, and that in the event the structural components constituting all the Unit boundaries are not in place on the date of recording of this Declaration the Trustee reserves the right to and shall cause to be recorded from time to time until all of said structural components are in place, an amended survey or surveys showing the actual locations and dimensions of the boundaries of those Units that are completed after the date of recording of this Declaration. Whenever in this Declaration the term "survey," "surveys," or "Exhibit A" appears, it shall be deemed to include such

amended survey or surveys as shall be necessary
to this paragraph.

3. Certain Structures Not Constituting Part of a Unit. No Owner shall own any pipes, wires, conduits, public utility lines or structural components running through his Unit and serving more than his Unit except as a tenant in common with all other Owners.

ARTICLE III

COMMON ELEMENTS

1. Description. Except as otherwise in this Declaration provided, the Common Elements shall consist of all portions of the Property except the Units. Without limiting the generality of the foregoing, the Common Elements shall include the land, Enclosed Garage, outside walks and driveways, landscaping, stairways, entrances and exits, parking areas, courtyards, balconies, patios, lobbies, roof, structural parts of any Building, pipes, ducts, flues, chutes, conduits, wires and other utility installations to the outlets, and such component parts of walls, floors and ceilings as are not located within the Units.

2. 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 of the Property, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit as a place of residence, and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and run with his Unit. The extent or amount of such ownership shall be expressed by a percentage amount and, once determined, shall remain constant, and may not be changed without unanimous approval of all Owners, except pursuant to

Illinois Condominium Act. The Trustee has so determined each Unit's corresponding percentage of ownership in the Common Elements as set forth in Exhibit "B" attached hereto.

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

ARTICLE IV

GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

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

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

3. Easements. (a) Encroachments. In the event that, by reason of the construction, repair, reconstruction,

settlement or shifting of the Building, any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Elements or any other Unit, or, if by reason of the design or construction of any Unit, it shall be necessary or advantageous to an Owner to use or occupy any portion of the Common Elements for any reasonable use appurtenant to said Unit with the written approval of the Board, which will not unreasonably interfere with the use or enjoyment of the Common Elements by other Unit Owners, or, if by reason of the design or construction of utility and ventilation systems, any main pipes, ducts or conduits serving more than one Unit encroach or shall hereafter encroach upon any part of any Unit, valid easements for the maintenance of such encroachment and for such use of the Common Elements are hereby established and shall exist for the benefit of such Unit and the Common Elements, as the case may be, to the extent of such encroachment so long as all or any part of the Building shall remain standing; provided, however, that in no event shall a valid easement for any encroachment or use of the Common Elements be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Property by the other Owners or if it occurred due to the intentional, negligent or willful conduct of any Owner or his agent.

(b) Utility Easements. The Illinois Bell Telephone Company, Commonwealth Edison Company, Northern Illinois Gas Company, Village of Flossmoor, and all other public utilities serving the Property 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 Common Elements for the purpose of providing utility services to the Property.

(c) Limited Common Elements. Each Unit and its Owner, shall have the right to use and occupy a storage space, an Enclosed Garage Parking Space, any courtyard, entrance and exit stairs, terrace, driveway, balcony or patio adjoining the Unit and such shall be considered Limited Common Elements; provided, however, that no Owner shall decorate, fence, enclose, landscape, adorn or alter such limited common element in any manner unless he shall first obtain the written consent of the Board of Managers, except if consistent with rules or regulations established by the Board as hereinafter provided and that no Owner shall place any permanent or temporary partition in or on the boundaries of his Enclosed Garage Parking Space.

(e) Easements to Run with Land. All easements and rights described herein are easements appurtenant, running with the land (unless otherwise stated) and, so long as the Property is subject to the provisions of this Declaration, shall remain in full force and effect, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, purchaser, mortgagee and other person having an interest in the Property, or any part or portion thereof. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article, or described in any other part of this Declaration shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such Unit Ownerships as

fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

4. Storage Space. The individual Storage Spaces adjoining the Enclosed Garage shall be a part of the Limited Common Elements, reserved for the exclusive use of the respective unit whose identifying symbol is so designated on Exhibit A for each such space, and shall be subject to such rules and regulations as the Board may prescribe. Such spaces are solely for the storage of personal property. Each Owner shall be responsible for his personal property in his Storage Space. The Trustee, the Developer, the Board and the Association shall not be considered the bailee of such personal property and shall not be responsible for any loss or damage thereto.

5. Enclosed Garage. The Enclosed Garage is a part of the Common Elements, and includes all the Enclosed Garage Parking Spaces. The Enclosed Garage has been divided into eight (8) Enclosed Garage Parking Spaces ("Parking Spaces") as delineated on Exhibit A. Each Parking Space is a limited common element. The legal description of each Parking Space shall consist of the identifying symbol of such Parking Space as shown on Exhibit A. Wherever reference is made to any Parking Space in a legal instrument or otherwise, a Parking Space may be legally described by its identifying symbol as shown on Exhibit A and every such description shall be deemed good and sufficient for all purposes. Each Unit shall include as a right and benefit appurtenant thereto, a grant of a perpetual and exclusive use to a Parking Space, hereinafter referred to as the "Exclusive Parking Use," consisting of the right to use for parking purposes that certain Parking Space set forth on his Deed. Each deed, lease, mortgage or other instrument affecting a Unit Ownership shall include the Exclusive Parking Use to the specific Parking Space so purchased and appurtenant thereto. Any such deed, lease, mortgage or other

instrument purporting to affect a Unit Ownership without also including the Exclusive Parking Use to the Specific Parking Space expressly allocated to said Unit shall be deemed and taken to include the said Exclusive Parking Use to the said Parking Space, even though not expressly mentioned or described therein. Owners may exchange (upon the recording of an amendment to this Declaration in accordance with Section 26 of the Act) or lease between themselves the Exclusive Parking Use to a specified Parking Space appurtenant to their own Unit Ownerships. Any Owner who has a Parking Space appurtenant to this Unit has the right to sell his Parking Space to another Owner and upon the recording of an amendment to this Declaration in accordance with Section 26 of the Act, it shall become appurtenant to the Unit of the purchaser. No person not having any interest in a Unit shall have any interest in and to a Parking Space for any purpose unless permission in writing is given by the Board. The term of any lease of the Exclusive Parking Use to another Unit Owner shall not exceed five (5) years. All Parking Spaces and access thereto shall be subject to such reasonable rules and regulations as may be established by the Board, as hereinafter provided, including the requirement that such exclusive use encompass the obligation to clean and maintain that portion of the Common Elements subject thereto, as an expense of an Owner rather than a Common Expense.

ARTICLE V

ADMINISTRATION

1. Administration of Property. The direction and administration of the Property shall be vested in a Board of Managers (hereinafter referred to as the "Board"), of the Unit Owner's Association who shall be elected in the manner hereafter provided. Each member of the Board shall: (a) be one of the

Owners; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer, director or other designated agent of such corporation, partner or other designated agent of such partnership, beneficiary or other designated agent of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board, and (b) such person resides on the Property (other than a Board member nominated by the Trustee).

2. Unit Owner's Association. The Trustee, upon the sale of one or more Units, and prior to the election of the first Board, and the Board at any time thereafter, may cause to be incorporated a not-for-profit corporation under the General Not for Profit Corporation Act of the State of Illinois, to be called "CHESTNUT HILL CONDOMINIUM ASSOCIATION NO. 2" or a name similar thereto, which corporation (herein referred to as the "Association") shall be the governing body for all the Owners for the maintenance, repair, replacement, administration and operation of the Property. If the Association is incorporated prior to the initial meeting of the members, the Developer may designate three persons to act as the Board until the initial meeting of the members has elected the initial Board. The Board of Directors of the Association shall be deemed to be the "Board of Managers" referred to herein and in the Condominium Property Act. Upon the formation of such Association, every Owner shall be a Member therein, which membership shall automatically terminate upon the sale, transfer or other disposition by such member of his Unit Ownership, at which time the new Owner shall automatically become a member therein.

3. Voting Rights. Each unit ownership shall be entitled to cast one vote per unit on matters submitted to the Association members, except, where it is required by this Declaration or by the Illinois Condominium Act that voting be on a percentage basis, then the percentage vote to which each unit is entitled is the percentage interest of the undivided ownership of the common elements appurtenant thereto as set forth in Exhibit B. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Owners. Such person shall be known and hereinafter referred to as a "voting member." Such voting member may be the Owner of one of the group composed of all the Owners of a Unit Ownership, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Owner or Owners. Any or all of such Owners may be present at any meeting of the voting members and (those constituting a group acting unanimously) may vote or take any other action as a voting member either in person or by proxy. The Trustee or the Developer shall be the voting member with respect to any Unit Ownership owned by the Trustee.

4. Meetings. (a) Meetings of the voting members shall be held at the Building or at such other place in the Village of Flossmoor, Illinois, as may be designated in any notice of a meeting. At any meeting of the voting members, the presence in person or by proxy of the voting members for at least fifty-one percent (51%) of the number of Units shall constitute a quorum, except that a quorum for actions requiring voting on a percentage basis shall

be units representing at least sixty-six and two-thirds percent (66 2/3%) of the entire ownership of the Common Elements. Except as otherwise required by the terms of this Declaration or the Condominium Property Act of Illinois, any action may be taken at any meeting of the voting members at which a quorum is present upon the affirmative vote of the voting members for at least 51% of the number of Units represented at such meeting. Matters shall be submitted to unit owners at membership meetings in accordance with the procedures customarily followed under Roberts Rules of Order, or by such rules of procedure as the Association may adopt.

(b) Annual Meeting. The initial meeting of the voting members to elect the initial Board of Managers shall be held upon the mailing of at least ten (10) days', but not more than thirty (30) days', prior written notice, said meeting to be held not later than sixty (60) days after at least seventy-five percent (75%) of the Units have been conveyed, or within three (3) years after the registration or recording of this Declaration, whichever is earlier. If the initial Board of Managers is not elected by the Unit Owners at the time so established for the initial meeting, the Developer shall continue in office for a period of thirty (30) days, whereupon written notice of his resignation shall be sent to all Unit Owners entitled to vote at such election. Thereafter there shall be an annual meeting of the voting members, the first of which shall be held on the first Tuesday of October in the year following such initial meeting, and on the first Tuesday of October of each succeeding year thereafter at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board

mailed to the voting members not less than ten (10) nor more than thirty (30) days prior to the date fixed for said meeting. In the event the Board fails to call such annual meeting, then any three (3) voting members may call such meeting upon ten (10) days written notice to all the voting members.

(c) Special Meetings. Special meetings of the voting members may be called at any time for the purpose of considering matters which, by the terms of this 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 a majority of the Board, the President, or by the voting members for at least twenty percent (20%) of the number of Units and mailed not less than ten (10) days and no more than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

(d) There shall be no (1) merger or consolidation of the Association; or (2) lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Association; or (3) purchase or sale of land or of units on behalf of all unit owners, except upon the affirmative vote of not less than two-thirds (2/3) of the vote of all of the unit owners (on a percentage basis) at a special meeting duly called for that purpose.

6. Board of Managers (Board of Directors).

(a) Election. At the initial meeting the voting members shall, by a majority of the total votes present at such meeting, elect a Board of Managers. In all elections for members of the Board of Managers, each voting member shall be entitled to vote on a cumulative voting basis. A majority of the total number of Units shall constitute a quorum. Members of the Board

officer of the Board and the Association, and who shall mail and receive all notices, and execute any amendments to the Condominium instrument, a Secretary who shall keep the minutes of all meetings of the Board and of the voting members and who shall, in general, perform all the duties incident to the office of Secretary, a Treasurer to keep the financial records and books of account, and such additional officers as the Board shall see fit to elect. The terms of officers shall be annual. Officers otherwise eligible may succeed themselves. Officers and Board members shall continue to serve until their successors are elected.

(c) Removal From Office. Any Board member may be removed from office by affirmative vote of the voting members for at least two-thirds (2/3) of the number of Units, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

(d) Notices of Meeting. Notices of Meetings of the Board shall be mailed to each Board member 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. 48 hour notice of such meetings shall also be given each unit owner.

7. General Powers of the Board. The Board shall have all powers and duties vested in it by the Illinois Condominium Act, including but not limited to acquiring and paying for out of the maintenance fund hereinafter provided for, the following:

(a) Water, waste removal, operating expense, if any, professional management fees, operating expenses of electricity, telephone and other necessary utility service for the Common Elements and (if not separately metered or charged) for the Units.

Elect ed at the initial meeting shall serve until the first annual meeting. At the first annual meeting three (3) Board members shall be elected. The two (2) Board members receiving the highest number of votes shall be elected for a term of two (2) years and the member receiving the next highest number of votes shall be elected for a term of one (1) year. Upon the expiration of the terms of office of the Board members so elected at the first annual meeting and thereafter, successors shall be elected for a term of two (2) years each. Board members may succeed themselves. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the voting members having two-thirds (2/3) of the total votes. Vacancies in the Board shall be filled by the majority vote of the voting members present at the next annual meeting or in the event such vacancy shall occur more than 60 days prior to the next annual meeting at a special meeting of the voting members called for such purpose. Board members elected at any annual or special meeting to fill a vacancy shall serve for the same term as that of the Board member who created the vacancy. Except as otherwise provided in this Declaration, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meeting when a quorum exists. A majority of the Board shall constitute a quorum. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt, provided that the Board shall meet at least 4 times annually and that such meetings shall be open to any Owner.

(b) Officers. The Board shall elect from among its members a President who shall preside over both its meetings and those of the voting members, and who shall be the chief executive

(b) A policy or policies of insurance insuring the Common Elements and the Units against loss or damage by the perils of fire, lightning and those contained in the extended coverage, vandalism and malicious mischief endorsements, for the full insurable replacement value of the Common Elements and the Units written in the name of, and the proceeds thereof shall be payable to the Association or the Board, as trustees for each of the Owners in the percentages established in Exhibit "B". Prior to obtaining any such policy or policies of insurance, or any renewal thereof, except for the initial policy or policies obtained by the Board, at its election, may from time to time obtain an appraisal from a qualified appraiser for the purpose of determining the full replacement value of the Common Elements and the Units for the amount of insurance to be effected pursuant hereto. The cost of any and all such appraisals shall be common expenses. Each Owner shall notify the Board in writing of any additions or alterations to his Unit resulting in increased value thereof and he shall be responsible for any deficiency in any insurance loss recovery resulting from his failure to so notify the Board. Where, in the reasonable opinion of the Board there are increased charges for insurance coverage on certain Units, the common expense for insurance premiums may be assessed against such Units in a manner fully reflecting the increased charges for such coverage. All such policies of insurance (1) shall contain standard mortgage clause endorsements in favor of the mortgagees having any mortgage lien on any or all of the Property or on any Unit, if any, as their respective interests may appear, (2) shall provide that the insurance, as to the interest of the Board, shall not be invalidated by any act or neglect of any Owner, (3) shall provide that notwithstanding any provision

thereof which gives the insurer an election to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the event the Owners elect to sell the Property or remove the Property from the provisions of the Condominium Property Act, (4) shall contain an endorsement to the effect that such policy shall not be terminated for nonpayment of premiums without at least ten (10) days' prior written notice to the mortgagee of each Unit, (5) shall contain a clause or endorsement whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, members of the Board, the Trustee, the managing agent, if any, their respective employees and agents, and Owners and Occupants, and (6) shall contain a "Replacement Cost Endorsement." Notwithstanding the issuance of standard mortgage clause endorsements, any losses under such policies of insurance shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed in accordance with the provisions of this Declaration and the Condominium Property Act; provided, however, that if the Board fails to perform all of the conditions precedent required by the policy or policies of insurance, and fails to collect the amount of the loss within the time required by law, and any mortgagee or mortgagees are required to avail themselves of their rights under the standard mortgage clause endorsement to collect the proceeds of the policy or policies of insurance, any amounts so collected through the efforts of said mortgagee or mortgagees shall be applied as directed by said mortgagee or mortgagees. The Board may engage the services of a bank or trust company authorized to do trust business in Illinois and having a capital of not less than \$5,000,000.00 to act as Insurance Trustee and to receive and disburse the insurance proceeds resulting from any

loss upon such terms as the Board shall determine consistent with the provisions of this Declaration. In the event the lowest of three (3) bids from reputable contractors for making all repairs required by any such loss shall exceed \$50,000.00, the Board upon written demand of the mortgagee of any Unit shall engage the services of an Insurance Trustee as aforesaid. The fees of such Insurance Trustee shall be common expenses.

(c) Comprehensive public liability and property damage insurance in such limits as the Board shall deem desirable insuring the Association, members of the Board, the managing agent, if any, and the Owners including the Trustee individually and as Trustee, the Developer, and their respective agents or employees as aforesaid from any liability in connection with the ownership, existence, use or management of Common Elements or the streets, sidewalks, and public spaces adjoining the Property. Such insurance coverage shall also cover cross liability claims of one insured against another and shall contain a waiver of any right of subrogation by the insuring company against any of the above named insured. The Board shall notify any person insured under such policy concerning the cancellation of any such insurance.

(d) Workmen's Compensation insurance as may be necessary to comply with applicable laws and such other forms of insurance as the Board in its judgment shall elect to effect.

(e) Such other insurance (including insurance with respect to officers' and directors' and directors' liability) in such reasonable amounts as the Board shall deem desirable.

(f) Upon affirmative vote of a majority of the unit owners at a special meeting duly called for such purpose the Board may employ the services of any person or firm to act on

behalf of the Owners in connection with real estate taxes and special assessments on the Unit Ownerships. The cost services shall be common expenses.

(g) Painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the windows or sliding glass doors appurtenant to the Units and the interior surfaces of the Units and of the doors appurtenant thereto, which the Owners shall paint, clean, decorate, maintain and repair) and such furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the Common Elements.

(h) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board is required to secure to pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the maintenance and operation of the Property as a first class condominium apartment building or for the enforcement of these restrictions.

(i) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the entire Property or any part thereof which may in the opinion of the Board constitute a lien against the Property or against the Common Elements, rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Owners.

(j) Maintenance and repair of any Unit if such maintenance or repair is necessary, in the discretion of the

Board, to protect the Common Elements, or any other portion of any Building, and an Owner of any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Owner, provided that the Board shall levy a special assessment against such Owner for the cost of said maintenance or repair.

(k) The Board or its agents upon reasonable notice may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible. The Board or its agents may likewise enter any Limited Common Element for maintenance, repairs, construction or painting. 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 at the expense of the maintenance fund.

(l) The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund for any structural alterations, capital additions to, or capital improvements of the Common Elements (other than for purposes of replacing or restoring portions of the Common Elements, subject to all the provisions of this Declaration) requiring an expenditure in excess of Ten Thousand Dollars (\$10,000.00), without in each case the prior approval of the voting members for at least two thirds (2/3) of the number of Units.

(m) All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by

the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Board.

(n) The Board, by vote of at least two-thirds (2/3) of the Board members, and without approval from any of the voting members except as hereinafter set forth, may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Owners and Occupants of the Property. Written notice of such rules and regulations shall be given to all Owners and the entire Property shall at all times be maintained subject to such rules and regulations. If within thirty (30) days from the date of written notice to the Owners of the adoption of any such rule and regulation of the voting members for at least one third (1/3) of the number of Units shall file with the Board a written objection thereto then such rule and regulation shall be deemed rescinded until approved by the voting members for at least two-thirds (2/3) of the number of Units.

(o) The Trustee may engage the initial management organization under a contract expiring not later than one year after the first Unit becomes occupied. Thereafter, the Board may engage the services of an agent to manage the Property to the extent deemed advisable by the Board.

(p) Common expenses for insurance premiums may be assessed on a basis reflecting increased charges for coverage on certain units. The Board may establish, and each Owner shall pay, user charges to defray the expense of providing services, facilities or benefits which may not be used equally or proportionately by all of the Owners or which, in the judgment of the Board, should not reasonably be charged to every Unit Owner in the same manner as Common Expenses. Such user charges may be

billed separately to each Owner benefited thereby, or may be added to such Owner's share of the Common Expenses, as otherwise determined, and collected as a part thereof. Nothing herein shall require the establishment of user charges pursuant to this paragraph, and the Board may elect to treat all or any portion thereof as Common Expenses.

(q) Prior to the election of the first Board, the Trustee, acting as the Board of Managers on behalf of all the Owners, shall have the authority to lease or to grant licenses or concessions with respect to any part of the Common Elements, subject to the terms of this Declaration. Upon election of the first Board, and thereafter, the Board by vote of at least two-thirds (2/3) of the Board members, shall have the same authority as aforesaid.

(r) Nothing hereinabove contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the Owners or any of them.

(s) The Board may own, convey, encumber, lease or otherwise deal with any Unit or Unit conveyed to or purchased by it on behalf of the Association.

(t) The Board shall keep detailed account records of receipts and expenditures affecting the use and operation of the Property.

(u) The Board shall have standing to act in a representative capacity in relation to matters involving the common elements or more than one Unit, on behalf of the Unit Owners, as their interests may appear.

8. Liability of the Board of Managers. The members of the Board of Managers, the Trustee and Developer shall not be personally liable to the Owners or others for any mistake of judgment or for any acts of omissions made in good faith as such

Board members, or acting as the Board. The Owners shall indemnify and hold harmless each of the members of the Board of Managers, the Trustee and Developer against all contractual liability to others arising out of contracts made by the Board of Managers, the Trustee or Developer on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. It is also intended that the liability of any Owner arising out of any contract made by the Board of Managers, the Trustee or Developer, or out of the aforesaid indemnity in favor of the members of the Board of Managers, the Trustee or Developer shall be limited to such proportion of the total liability thereunder as his percentage interest of all the Owners in the Common Elements. Every agreement made by the Board of Managers, Trustee, the Developer or by the managing agent on behalf of the Owners shall provide that the members of the Board of Managers, Trustee, the Developer or the Managing agent, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners) and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Owners in the Common Elements.

ARTICLE VI

ASSESSMENTS - MAINTENANCE FUND

(a) Each year on or before June 15, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services and supplies which will be required during the ensuing fiscal year of August 1 - July 31 for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for

contingencies and replacements, and shall formulate a proposed budget with reasonable itemization thereof. A copy of the proposed budget shall be sent to each unit owner at least 30 days prior to the final adoption thereof by the Board. Each unit owner shall receive notice in the manner provided for membership meetings of any meeting of the Board concerning the adoption of the proposed budget, or concerning any increase in the budget, or concerning the establishment of any assessment. The annual budget shall take into account the estimated net available cash income, for the year from the operation or use, if any, of the Common Elements. Said "estimated cash requirement" shall be assessed to the Owners according to each Owner's percentage of ownership in the Common Elements as set forth in Exhibit "B" attached hereto, except that there may be added to the assessment of any Unit Owner an amount for the increase in cost for any insurance, where such Unit requires an increase in coverage as per Article IV, Section 7, and any charge attributable to the limited common elements appurtenant to such Unit. On or before August 1 of the ensuing fiscal year, and the 1st of each and every month of said year, each Owner, jointly and severally, shall be personally liable for and obligated to pay to the Board or as it may direct, one-twelfth (1/12) of the assessment made pursuant to this paragraph. On or before November 1 of each year following the initial meeting, the Board shall supply to all Owners an itemized accounting of the maintenance expenses for the preceding fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Such accounting shall be prepared by a certified public accountant. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be

credited according to each Owner's percentage of ownership in the Common Elements to the next monthly installments due from Owners under the current fiscal year's estimate, until exhausted, and any net shortage shall be added according to each Owner's percentage of ownership in the Common Elements to the installments due in the succeeding six months after rendering of the accounting.

(b) Upon the purchase of each Unit from AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under Trust No. 32647 ("Trustee"), or at any time thereafter, at the request of the Board, each Owner, not including the Trustee, shall deposit with the Board, an amount equal to three (3) month's assessment relating to such Owner's Unit. Such amount shall be held, together with the amounts similarly deposited by the other Unit Owners, as an operating reserve for common expenses, and shall be used and applied from time to time as may be needed toward meeting deficits and for such other common purposes as the Board may deem necessary. To the extent that the said operating reserve may be depleted or in the judgment of the Board may be inadequate, the Board may increase the same by an assessment to the Owners according to each Owner's percentage of ownership in the Common Elements. The said operating reserve on hand from time to time shall be deemed part of the Common Elements and in the event of a transfer by a Unit Owner of his Unit Ownership, such Unit Owner shall not be entitled to any refund of his maintenance operating reserve deposit or any portion thereof, but all of his interest in the unexpended portion of such deposit, if any, shall transfer and inure to such Unit Owner's transferee.

(c) The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year, shall be charged first

"against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Owners assessment, the Board may at any time levy a further assessment, which shall be assessed to the Owners according to each Owner's percentage ownership in the Common Elements. The Board shall serve notice of further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment, provided that if the proposed expenditures requiring such further assessment result in a total payment assessed to a unit equal to the greater of 5 times the unit's most recent common expense calculated on a monthly basis, or \$300, then such separate assessment shall be first subject to the approval of at least 2/3rds of the unit owners voting at a meeting of unit owners duly called for such purpose. All Owners shall be personally liable for and obligated to pay their respective adjusted monthly amount.

(d) The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Owners shall not constitute a waiver or release in any manner of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

(e) The Board shall keep full and correct books of

account in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Owner or any representative of an Owner duly authorized in writing, or by any mortgagee of any or all of the Property or any Unit at such reasonable time or times during normal business hours as may be requested by the Owner. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

(f) All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Owners in the percentages set forth in Exhibit "B".

(g) If an Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board may bring suit for and on behalf of themselves and as representatives of all Owners, to enforce collection thereof or to foreclose the lien therefor as herein-after provided; and there shall be added to the amount due the costs of said suit, and other fees and expenses together with legal interest and reasonable attorneys' fees to be fixed by the Court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as

above provided shall be and become a lien or charge against the Unit Ownership of the Owner involved when payable and may be foreclosed by an action brought in the names of the Board as in the case of foreclosure of liens against real estate. Said lien shall take effect and be in force and have priority when and as provided in the "Condominium Property Act" of Illinois; provided, however, that encumbrances owned or held by any bank, insurance company or savings and loan association or other lender shall be subject as to priority after written notice to said encumbrancer of unpaid common expenses only to the lien of all common expenses on the encumbered Unit Ownership which become due and payable subsequent to the date said encumbrancer either takes possession of the Unit, accepts a conveyance of any interest in the Unit Ownership, or has a receiver appointed in a suit to foreclose his lien.

(h) In addition to the remedy for nonpayment of the monthly assessment set forth in paragraph (g) above, the Board shall have the right to take possession of the Unit Owner's interest in the property and may maintain for the benefit of all of the other Unit Owners, an action for possession under the Forcible Entry and Detainer Act and the cost of said suit, including attorney's fees and court costs, shall be added to the amount due.

(i) No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Unit.

ARTICLE VII

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY

The Unit and Common Elements shall be occupied and used as follows:

(a) Each Unit or any two or more adjoining Units used together shall be used for housing and related common purposes for which the Property was designed and for no other purpose. That part of the Common Elements separating any two or more adjoining Units may be altered to afford ingress and egress to and from such adjoining Units in such manner and upon such conditions as shall be determined by the Board in writing. A Unit Owner owning two (2) or more adjoining Units shall have the right to remove or otherwise alter any intervening partition so long as the action does not weaken, impair or endanger any common element or Unit. The Unit Owner shall notify the Board in writing at least ten (10) days prior to commencing such work, and shall conduct such work subject to any conditions reasonably imposed by the Board to safeguard the quiet enjoyment of other Unit Owners.

(b) There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements without the prior consent of the Board except as hereinafter stated. Each Owner shall maintain and keep his own Unit in good order and repair.

(c) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Building or contents thereof, applicable for residential use, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No waste shall be committed in the Common Elements.

(d) Each Owner shall be responsible for his own insurance on his personal property in his own Unit and the storage space, and unless expressly undertaken by the Board, upon all glass windows and doors in his own Unit, his personal property

stored elsewhere on the Property (including his automobile in the enclosed garage parking space) and his personal liability to the extent not covered by the liability insurance for all the Owners obtained by the Board as hereinbefore provided.

(e) Owners shall not cause or permit anything to be placed on the outside walls of any Building and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior written consent of the Board.

(f) No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Elements, except that dogs, cats, or other household pets may be kept in Units, subject to rules and regulations adopted by the Board, provided that they are not kept, bred, or maintained for any commercial purposes; and provided further that any pet causing or creating a nuisance or unreasonable disturbances shall be permanently removed from the Property upon three (3) days' written notice from the Board. Any animal wastes deposited anywhere on the Common Elements shall be promptly removed and the area cleaned by the Owner of the offending pet.

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

(h) Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of any Building or which would structurally change any Building except as is otherwise provided herein.

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

clear of rubbish, debris and other unsightly materials.

(j) No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designated for profit, altruism, explorations, or otherwise, shall be conducted, maintained, or permitted in any Unit, except that this provisions shall not be construed in such a manner as to prohibit an Owner from: (1) maintaining his personal professional library therein; (2) keeping his personal business or personal accounts therein; (3) handling his personal, professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of this paragraph.

(k) No "For Sale" or "For Rent" signs, advertising or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Board. The right is reserved by the Trustee, its beneficiaries, the Developer or its agents, to place and maintain on the Property until the sale of the last Unit all models, sales offices, advertising signs and banners and lighting in connection therewith at such locations and in such forms as shall be determined by them. There is also reserved unto the Trustee, the Developer, its agents, business invitees and prospective Unit purchasers, the right of ingress, egress and transient parking in and through the Common Elements at no cost for construction, development and Unit sales purposes.

ARTICLE VIII

SALE, LEASING OR OTHER ALIENATION

1. Sale or Lease. Any Owner other than the Trustee, the Developer and its agents who wishes to sell or lease his Unit Ownership (or any lessee of any Unit wishing to assign or sub-lease such Unit) shall give to the Board not less than thirty

(30) days' prior written notice of the terms of any contemplated sale or lease, together with the name, address and financial and character references of the proposed purchaser or lessee and such other information concerning the proposed purchaser or lessee as the Board may reasonably require. If the proposed purchaser or lessor is a land trust, then the beneficiaries of such trust shall be deemed the purchaser or the lessor for the purposes of this Section, and the Board may require that the trust provide that there shall be no transfer or assignment of the beneficial interest of such trust, except for collateral purposes, without first complying with this Article. The members of the Board acting on behalf of the other Owners shall at all times have the first right and option to purchase or lease such Unit Ownership upon the same terms, which option shall be exercisable for a period of sixty (60) days following the date of receipt of such notice. If said option is not exercised by the Board within said sixty (60) days, the Owner (or lessee) may, at the expiration of said sixty day period, contract to sell or lease (or sublease or assign) such Unit Ownership to the proposed purchaser or lessee named in such notice upon the terms specified therein. If the Owner (or lessee) fails to close said proposed sale or lease transaction within said ninety (90) days after expiration of the option, the Unit Ownership shall again become subject to the Board's right of first refusal as herein provided.

V 2. Gift. Any Owner other than the Trustee who wishes to make a gift of his Unit Ownership or any interest therein shall give to the Board not less than ninety (90) days' written notice of his or her intent to make such gift prior to the contemplated date hereof, together with the name, address and financial and character references of the intended donee and such other information concerning the intended donee as the Board may

reasonably require. The members of the Board acting on behalf of the other Owners, shall at all times have the first right and option to purchase such Unit Ownership or interest therein for cash at fair market value to be determined by arbitration as herein provided, which option shall be exercisable until the date of expiration as provided herein. Within fifteen (15) days after receipt of said written notice by the Board, the Board and the Owner desiring to make such gift may each appoint a qualified real estate appraiser to act as arbitrators. The two arbitrators so appointed shall, within ten (10) days after their appointment, appoint another qualified real estate appraiser to act as the third arbitrator. Within fifteen (15) days after the appointment of said third arbitrator, the three arbitrators shall determine, by majority vote, the fair market value of the Unit Ownership or interest therein which the Owner contemplates conveying by gift, and shall thereupon give written notice of such determination to the Owner and the Board. If the Board shall fail to select an appraiser as aforesaid the Board's option hereunder shall be deemed waived. If the Owner desiring to make such gift shall fail to select an appraiser, then the appraiser designated by the Board shall make the appraisal. The Board's option to purchase the Unit Ownership or interest therein shall expire forty-five (45) days after the date of receipt by it of written notice of such determination of fair market value. The Board shall be deemed to have exercised its option if it tenders the required sum of money to the Owner desiring to make such gift within said forty-five (45) day period.

3. Devise. In the event any Owner dies leaving a will devising his Unit Ownership, or any interest therein, and said will is admitted to probate, the members of the Board acting on behalf of the other Owners, shall have a like option (to be

exercised in the manner hereinafter set forth) to purchase said Unit Ownership, or interest therein, either from the devisee or devisees thereof named in said will, or if a power of sale is conferred by said will upon the personal representative acting pursuant to said power, for cash at fair market value which is to be determined by arbitration as herein provided. Within sixty (60) days after appointment of a personal representative for the estate of the deceased Owner, the Board may appoint a qualified real estate appraiser to act as an arbitrator, and shall thereupon give written notice of such appointment to the said devisee or devisees or personal representative, as the case may be. Within fifteen (15) days thereafter said devisee or devisees, or personal representative, as the case may be, shall appoint a qualified real estate appraiser to act as an arbitrator. Within ten (10) days after the appointment of said arbitrator, the two so appointed shall appoint another qualified real estate appraiser to act as the third arbitrator. Within fifteen (15) days thereafter, the three arbitrators shall determine, by majority vote, the fair market value of the Unit Ownership, or interest therein, devised by the deceased Owner, and shall thereupon give written notice of such determination to the Board and said devisee or devisees, or personal representative, as the case may be. If the Board shall fail to select an appraiser as aforesaid the Board's option hereunder shall be deemed waived. If said devisee or devisees, or personal representative, as the case may be, shall fail to select an appraiser, then the appraiser designated by the Board shall make the appraisal. The Board's right to purchase the Unit Ownership, or interest therein, at the price determined by the appraisal shall expire sixty (60) days after the date of receipt by it of such notice if the personal representative of the deceased Owner is empowered to sell, and

shall expire eight (8) months after the appointment of a personal representative who is not so empowered to sell. The Board shall be deemed to have exercised its option if it tenders the required sum of money to said devisee or devisees or to said personal representative, as the case may be, within the said option periods.

4. Involuntary Sale. (a) In the event any Unit Ownership or interest therein is sold at a judicial or execution sale (other than a mortgage foreclosure sale) the person acquiring title through such sale shall, before taking possession of the Unit so sold, give thirty (30) days' written notice to the Board of his intention so to do, whereupon the Board acting on behalf of the Owners shall have an irrevocable option to purchase said Unit Ownership or interest therein at the same price for which it was sold at said sale. If said option is not exercised by the Board within said thirty (30) days after receipt of such notice, it shall thereupon expire and said purchaser may thereafter take possession of said Unit. The Board shall be deemed to have exercised its option if it tenders the required sum of money to the purchaser within said thirty (30) day period. (b) In the event any Owner shall default in the payment of any monies required to be paid under the provisions of any mortgage or trust deed against his Unit Ownership, the Board shall have the right to cure such default by paying the amount so owing to the party entitled thereto and shall thereupon have a lien therefor against such Unit Ownership, which lien shall have the same force and effect and may be enforced in the same manner as provided in Article VI hereof.

5. Exercise of Option. The Board, by the affirmative vote of at least two-thirds (2/3) of the Board members, and upon the affirmative vote of not less than two-thirds (2/3) of the votes of the Owners (on a percentage basis) present at a special

meeting duly called for that purpose, may exercise any option hereinabove set forth to purchase any Unit Ownership or interest therein. The Board or its duly authorized representative, acting on behalf of the Owners, by the affirmative vote of at least two-thirds (2/3) of the Board members, and upon not less than fifteen (15) days' prior written notice thereof to all the Owners, may bid to purchase at any sale of a Unit Ownership or interest therein of any Owner living or deceased, which said sale is held pursuant to an order or direction of a court. The written notice to all the Owners shall set forth the terms of the option to be exercised by the Board or it shall set forth a maximum price which the Board or its duly authorized representative is authorized to bid and pay for said Unit Ownership or interest therein. If within said fifteen (15) days the voting members for at least one-fourth (1/4) of the number of Units shall file with the Board a written objection to any such action by the Board, then such option shall be deemed released and shall not be exercised by the Board. The Unit Ownership or interest therein which is subject to such option may thereupon be sold, conveyed, leased, given or devised free and clear of the provisions of this Article.

6. Release or Waiver of Option. Upon the affirmative vote of at least two-thirds (2/3) of the Board members, any of the options contained in this Article VIII may be released or waived prior to their expiration and the Unit Ownership or interest therein which is subject to an option set forth in this Article may be sold, conveyed, leased, given or devised free and clear of the provisions of this Article.

7. Proof of Termination of Option. A certificate executed and acknowledged by the acting Secretary of the Board stating that the provisions of this Article VIII as hereinabove

set forth have been met by an Owner, or waived or released by the Board, and that the rights of the Board hereunder have terminated, shall be conclusive upon the Board and the Owners in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner who has in fact complied with the provisions of this Article or in respect to whom the provisions of this Article have been waived or released.

8. Financing of Purchase Under Option. (a) Acquisition of Unit Ownership or any interest therein under the provisions of this article shall be made from the maintenance fund. If said fund is insufficient, the Board shall levy an assessment against each Owner in the ratio that his percentage of ownership in the Common Elements as set forth in Exhibit "B" bears to the total of such percentages applicable to Units subject to said assessment, which assessment shall become a lien and be enforceable in the same manner as provided in paragraph (g) of Article VI hereof. (b) The members of the Board, in their discretion, may borrow to finance the acquisition of any Unit Ownership or interest therein authorized by this Article; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit Ownership or interest therein to be acquired.

9. Title to Acquired Interest. Unit Ownership or interests therein acquired pursuant to the terms of this Article shall be held of record in the name of the Association or members of the Board of Managers and their successors in office, or such nominee as they shall designate, for the benefit of all the Owners. Said Unit Ownerships or interests therein shall be sold or leased by the members of the Board in such manner as the Board shall determine without complying with the foregoing provisions relating to the Board's right of first refusal. All proceeds of

such sale and/or leasing shall be deposited in the maintenance fund and credited to each Owner in the same proportion in which the Board could levy a special assessment under the terms of Paragraph 8(a) of this Article.

10. Exceptions to Board's Right of First Refusal.

The Board's right of first refusal as provided in Sections 1, 2 and 3 of this Article VIII shall not apply to any sale, lease, gift, devise or other transfer by the Trustee, its beneficiaries, successors or assigns, by the holder of any first mortgage lien on such unit who has taken title to such unit by foreclosure of such lien or by any transfer of title or other procedure in lieu of foreclosure, by any corporation, Trust or other entity when the original Owner or persons having at least majority control of said Owner are in control of the transferee, or resulting from statutory merger or consolidation, or between co-Owners of the same Unit, or to the spouse, or to any lawful children of the Owner, or any one or more of them, or to any trustee of a trust, the sole beneficiary or beneficiaries of which are the Owner, the spouse or lawful children of the Owner, or any one or more of them, or from any trustee of a trust to any one or more of the beneficiaries of such trust, provided such beneficiaries were approved as Owners at the time the trust acquired the Unit.

ARTICLE IX

DAMAGE OR DESTRUCTION AND RESTORATION OF BUILDING

1. Sufficient Insurance. In the event the improvements forming a part of the Property, or any portion thereof, including any Unit, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, shall be sufficient to pay the cost of repair or restoration or reconstruction. then such repair, restoration or reconstruction

shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event within thirty (30) days after said damage or destruction, the Owners elect either to sell the Property as hereinafter provided in Article X hereof or to withdraw the Property from the provisions of this Declaration, and from the provisions of the "Condominium Property Act" as therein provided, then such repair, restoration or reconstruction shall not be undertaken. In the event such repair, restoration or reconstruction is not undertaken the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all Owners according to each Owner's percentage of ownership in the Common Elements as set forth in Exhibit "B", after first paying out of the share of each Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

2. Insufficient Insurance. In the event the Property or the improvements thereon so damaged or destroyed are not insured against the peril causing the loss or damage, or the insurance proceeds are not sufficient to pay the cost of repair, restoration or reconstruction of the improvements within one hundred and eighty (180) days after said damage or destruction, and more than 1/2 of the Units are rendered uninhabitable then the provisions of the "Condominium Property Act" in such event shall apply.

3. Definition. Repair, restoration or reconstruction of the improvements as used in this Article, means restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before.

4. Partial Destruction. In the event of fire or other disaster in which fewer than one-half (1/2) of the Units are rendered uninhabitable, and if the insurance proceeds are not sufficient to pay the cost of repair, restoration or reconstruction of the damaged Building or other portions of the Property, then upon the affirmative vote of not fewer than three quarters (3/4) of the Owners voting in a meeting called for that purpose the Association may undertake such repair, restoration or reconstruction. Such meeting shall be held within thirty days following the adjustment of the insurance claims, if any. Otherwise such meeting shall be held within ninety (90) days of the occurrence. At such meeting, the Board of Managers, or its representative, shall present to the members present an estimate of the costs of repair or restoration, and the estimated amount of necessary assessments against each Unit Owner.

5. Withdrawal of Partially Destroyed Portions. In the case of fire or other disaster, if the insurance proceeds are insufficient to reconstruct the portion of the Property affected, and there is no vote to reconstruct in accordance with Section 4 above, then such portion of the Property may be withdrawn from the Condominium by the Board. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the common elements pertaining to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest in each remaining Unit. If only a portion of the Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, upon the basis of diminution in market value of the Unit as determined by the Board. The Board shall pay just compensation or shall allocate

insurance or other proceeds to any withdrawing or remaining Unit owned upon an equitable basis which need not be a Unit's percentage interest. Any insurance or other proceeds available in connection with the withdrawal of any portion of the Common Elements, not necessarily including the Limited Common Elements, shall be allocated on the basis of each Unit Owner's percentage interest therein. The distribution of any proceeds available from the withdrawal of any Limited Common Element will be distributed in accordance with the interests of those entitled to their use.

6. Eminent Domain. In the event any portion of the property is taken pursuant to proceedings in eminent domain, such property shall be withdrawn from the Condominium. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Element appurtenant to such Unit or portion thereof shall be reallocated among the remaining interests on the basis of percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn the percentage of interest appurtenant to the Unit shall be reduced on the basis of diminution in the market value of the Unit as determined by the Board. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis which not need be a Unit Owner's percentage interest. Any condemnation award or other proceed available in connection with the withdrawal of any portion of the common elements, not necessarily including the limited common elements, shall be allocated on the basis of each Unit Owner's percentage interest therein. Proceeds available from the withdrawal of any limited common element will be distributed equitably in accordance with the interests of those

entitled to their use.

7. Upon the withdrawal of any Unit or portion thereof the responsibility for the payment of assessments by such Unit Owner shall cease and the Unit Owner shall receive his respective share of the then existing reserves.

ARTICLE X

SALE OF THE PROPERTY

The Owners by affirmative vote of at least 80% of the undivided ownership of the Common Elements, at a meeting duly called for such purpose, may elect to sell the Property as a whole. Within ten (10) days after the date of the meeting at which such sale was approved the Board shall give written notice of such action to the holder of any duly recorded mortgage or trust deed against the Property or any part thereof or any Unit Ownership entitled to notice under Section 2 of Article XII of this Declaration. Such action shall be binding upon all Owners, and it shall thereupon become the duty of every Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect such sale, provided, however, that any Owner who did not vote in favor of such action and who has filed written objection thereto with the Board within twenty (20) days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the value of his interest, as determined by a fair appraisal, less the amount of any unpaid assessments or charges due and owing from such Owner. In the absence of agreement on an appraiser, such Owner and the Board may each select an appraiser, and two so selected, shall select a third, and the fair market value, as determined by a majority of the three so selected, shall control. If either party shall fail

to select an appraiser, then the one designated by the other party shall make the appraisal.

ARTICLE XI

REMEDIES FOR BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

1. Abatement and Enjoinment. The violation of any restriction, condition, rule or regulation adopted by the Board, or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to the rights set forth in the next succeeding section: (a) to enter upon that part of the Property where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Trustee, its beneficiaries, the Developer, or their successors or assigns, or the Board, or its agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. All expenses of the Board in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of the usury ceiling for home mortgages under the laws of the State of Illinois or the prime rate of the Continental Illinois national Bank, whichever is lesser, until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same upon the Unit Ownership of such defaulting Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or

located elsewhere on the Property. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

2. Involuntary Sale. If any Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or the rules and regulations adopted by the Board, and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall reoccur more than once after such notice, then the Board shall have the power to issue to the defaulting Owner a ten-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 Unit and thereupon an action in equity may be filed by the members of the Board against the defaulting Owner for a decree of mandatory injunction against the Owner or Occupant or, in the alternative, a decree declaring the termination of the defaulting Owner's right to occupy, use or control the Unit owned by him on account of the breach of covenant, and ordering that the right, title and interest of the Owner in the 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 establish, except that the court shall enjoin and restrain the defaulting Owner from re-acquiring his interest in the Property at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder

or any liens, shall be paid to the Owner. Upon the confirmation of such sale, the purchaser thereat shall thereupon be entitled to a deed to the Unit Ownership and, subject to the Board's rights as provided in Section 4, Article VIII hereof, to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

ARTICLE XII

CHESTNUT HILL ASSOCIATION

1. Membership. In accordance with the provisions of the Chestnut Hill Association Declaration, there has heretofore been organized a not-for-profit corporation under the General Not-for-Profit Corporation Act of the State of Illinois having the name "Chestnut Hill Association" to act as the governing body for the maintenance and administration of the Common Area, as that term is defined in the Chestnut Hill Association Declaration. Each Owner who has purchased a Unit from the Trustee shall automatically be a member of the Chestnut Hill Association as long as he shall be an Owner, and such membership shall automatically terminate when he ceases to be an owner; and upon the transfer of his ownership interest, the new Owner succeeding to such ownership interest shall likewise succeed to such membership. Each such member shall be entitled to use the facilities administered by the Chestnut Hill Association in accordance with and subject to the provisions of the Chestnut Hill Association Declaration and shall be responsible for payment of assessments levied by and user charges owing the Chestnut Hill Association. Such assessment and charges may be collected

by the Board and remitted to the Chestnut Hill Association in the manner prescribed by the Chestnut Hill Association Declaration, and payment thereof shall be secured as therein provided by a lien on such member's Unit Ownership.

2. Powers of the Chestnut Hill Association. The Common Area shall be held, administered and maintained in such manner and subject to such rules and regulations as the Board of Directors of the Chestnut Hill Association may prescribe from time to time. All expenses incurred in connection with the maintenance, repair and replacement of the Common Area shall be borne by the Chestnut Hill Association except as otherwise provided in the Chestnut Hill Association Declaration. All rights, powers, privileges vested by this Declaration in the Owners or in the Board or the Association are expressly subject to the rights, powers, privileges and easements of the Chestnut Hill Association and its Board and Members, and to all of the covenants, conditions, restrictions, agreements and easements established pursuant to the Chestnut Hill Association Declaration.

3. Status of Chestnut Hill Association. The provisions of this Declaration are subject to all of the provisions of the Chestnut Hill Association Declaration and are not intended to modify, supersede or abate any of the provisions thereof. In the event of any inconsistency between the provisions of this Declaration and the provisions of the Chestnut Hill Association Declaration, the provision of the Chestnut Hill Association shall prevail unless such inconsistency is required to conform this Declaration with any requirement of the Act, in which event the provisions of this Declaration and of the Act shall prevail.

ARTICLE XIII

GENERAL PROVISIONS

1. Until such time as the Board of Managers provided

for in this Declaration is formed the Trustee or the beneficiaries of the trust as shown on the Trustee's records or the Developer, shall in accordance with the Illinois Condominium Property Act exercise any of the powers, rights, duties and functions of the Board. Any contract, lease or other agreement made prior to the election of a majority of the Board other than the developer by or on behalf of the Unit Owners, individually or collectively, the Unit Owner Association or the Board, which extends for a period of more than two (2) years from the recording of the Association shall be subject to cancellation by more than one-half (1/2) of the votes of the Unit Owner other than the developer cast at a special meeting of members called for that purpose during a period of ninety (90) days following expiration of the two (2) year period.

2. Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against the Property or any part thereof or any Unit Ownership shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Owner whose Unit Ownership is subject to such mortgage or trust deed.

3. Each Owner hereby waives and releases any and all claims which he may have against any other Owner, Occupant, the Association, its officers, members of the Board, the Trustee, the managing agent, if any, and their respective employees and agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty, to the extent that such damage is covered by fire or other form of casualty insurance.

4. Notices provided for in this Declaration and in the Condominium Property Act shall be in writing, and shall be

addressed to the Board or Association, or any Owner, as the case may be, at the regular street address of the Unit of such Owner and at the address of the president of the Board with regard to notices addressed to the Board or the Association or at such other address as herein provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Owners. Any Owner may also designate a different address for notices to him by giving written notice of his change of address to the Board or Association. Notices addressed as above shall be deemed delivered when mailed by United States mail, or unless mailed notice is otherwise specified herein or in the Condominium Property Act, when delivered in person with written acknowledgement of the receipt thereof, or, if addressed to an Owner, when deposited in his mailbox or at the door of his Unit.

5. Notices required to be given any devisee or personal representative of a deceased Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased Owner is being administered.

6. Each grantee of the Trustee, by the acceptance of a deed of conveyance, or each purchaser under Articles of Agreement for Condominium Deed, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights, and powers created or reserved by this Declaration and the Chestnut Hill Association Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having

chargeable or created under this Declaration against such Unit Ownership. No claim shall be made against any such titleholding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of 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 title of such Unit Ownership.

13. In the event 30% or fewer of the units by number possess over 50% in the aggregate of the votes in the association, any percentage vote of the members specified herein shall require the specified percentage by number of units rather than by the percentage of interest in the common elements allocated to units that would otherwise be applicable.

14. When any power or right is conferred on the Trustee under the terms of this Declaration, said power or right may be exercised by the Trustee, its beneficiaries, successors or assigns.

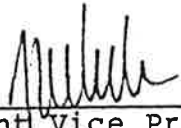
15. This Declaration is executed by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed by every person, firm or corporation hereafter claiming any interest under this Declaration that AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee as aforesaid, and not personally, has joined in the execution of this Declaration for the sole purpose of subjecting the titleholding interest and the trust estate under said Trust No. 32647 to the terms of this Declaration; that any and all obligations, duties, covenants and agreements of every nature herein set forth by it, as Trustee as aforesaid, to

be kept or performed, are intended to be kept, performed and discharged by the beneficiaries under said Trust No. 32647 of their successors, and not by it, personally; and further, that no duty shall rest upon AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, either personally or as such Trustee, to sequester trust assets, rentals, avails or proceeds of any kind, or otherwise to see the fulfillment or discharge of any obligation expressed or implied, arising under the terms of this Declaration, except where said Trustee is acting pursuant to direction as provided by the terms of said Trust No. 32647, and after the Trustee has first been supplied with funds required for the purpose. In the event of conflict between the terms of this paragraph and of the remainder of the Declaration on any question of apparent liability or obligation resting upon said Trustee, the exculpatory provision hereof shall be controlling.


IN WITNESS WHEREOF, the said AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee as aforesaid and not individually, has caused its corporate seal to be affixed hereunto and has caused its name to be signed to these presents by its Assistant Vice President and attested to by its Assistant Secretary, this 23rd day of June, A.D., 1980.

American National Bank and Trust Company of Chicago

as Trustee as aforesaid,
and not individually

By: 
Assistant Vice President

ATTEST:

By: 
Assistant Secretary

at any time any interest or estate in the Property, and shall inure to the benefit of such Owner in like manner as though the provisions of this Declaration and the Chestnut Hill Association Declaration were recited and stipulated at length in each and every deed of conveyance.

7. No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

8. The provisions of Article II, Article III, Article IV, Article VI, Article VII, paragraph 5 of Article VIII, and this paragraph 8 of Article XIII of this Declaration, may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed and acknowledged by the President on behalf of the Board, all of the Owners and all mortgagees having bona fide liens of record against any or all of the Property or any Unit Ownerships. Other provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification, or rescission, signed and acknowledged by the President on behalf of the Board and the Owners of at least three-fourths (3/4) of the number of Units and containing an affidavit by an officer of the Board certifying that a copy of the change, modification or rescission has been mailed by certified mail to all mortgagees having bona fide liens of record against any Unit Ownership, no less than ten (10) days prior to the date of such affidavit. The change, modification or rescission shall be effective upon recordation of such instrument in the Office of the Recorder of Deeds of Cook County, Illinois;

provided, however, that no provision in this Declaration may be changed, modified, or rescinded so as to conflict with the provisions of the "Condominium Property Act."

9. The invalidity of any covenant, restriction, condition, limitation or any other provision of this Declaration, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration.

10. 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 rules restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one years after death of the survivor of the now living lawful descendants of the incumbent Mayor of the City of Chicago, and the incumbent President of the United States.

11. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class condominium building.

12. In the event title to any Unit Ownership is conveyed to a land titleholding trust, under the terms of which all powers of management, operation and control of the Unit Ownership remain vested in the trust beneficiary or beneficiaries, then the Unit Ownership under such trust and the beneficiaries thereunder from time to time shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings