

EXHIBIT B

DECLARATION OF CONDOMINIUM OWNERSHIP

and of

EASEMENTS, COVENANTS AND RESTRICTIONS

FOR

JARVIS ON THE LAKE CONDOMINIUM

1206-1232 West Jarvis Avenue, Chicago, Illinois

This instrument was prepared by:

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FOR

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THIS DECLARATION, made and entered into by LaSalle National Bank, a national banking association, not individually but as Trustee under Trust Agreement dated July 18, 1979, and known as Trust No. 101307, for convenience hereinafter referred to as the "Trustee";

WITNESSETH:

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

Lot 9 (except the west 25 Feet thereof measured on the north and south lines thereof) and Lot 10 in Block 11 in the resubdivision of Blocks 11 and 12 in Birchwood Beach, a subdivision of part of Section 29, Township 41 North, Range 14 east of the Third Principal Meridian, in Cook County, Illinois.

(herein referred to as the "Parcel"); and

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

WHEREAS, the Trustee further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, and intends that all future owners, occupants, mortgagees, and any other persons hereinafter acquiring any interest in the Property shall hold said subject to certain rights, easements and privileges in, over and upon said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the co-operative aspects of residence on the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

NOW THEREFORE, the Trustee, as the legal title holder of the real estate hereinbefore described, and for the purposes above set forth, declares as follows:

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

(a) "Act" means the "Condominium Property Act" of the State of Illinois, as amended from time to time.

(b) "Association" or "Unit Owners' Association", means Jarvis on the Lake Condominium Association, an association of all the Unit Owners, acting pursuant to the By-Laws through its duly elected board of managers. As hereinafter provided, the Association may be established as an Illinois not-for-profit corporation.

(c) "Board" means the Board of Directors of Jarvis on the Lake Condominium Association.

(d) "Building" or "Buildings" means all structures, attached or unattached, located on the Parcel and forming part of the Property, containing one or more Units.

(e) "By-Laws" means the By-Laws of Jarvis on the Lake Condominium Association, attached hereto as Exhibit C and made a part hereof.

(f) "Common Elements" means all portions of the Property, except the Units, including the Limited Common Elements, unless otherwise expressly specified herein.

(g) "Common Expenses" means the proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board.

(h) "Condominium Instruments" means all documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including this Declaration, the By-Laws and the Plat.

(i) "Conversion Condominium" means a property which contains structures, excepting those newly constructed and intended for condominium ownership, which are, or have previously been, wholly or partially occupied before the recording of condominium instruments by persons other than those who have contracted for the purchase of condominiums.

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

(k) "Developer" means Jarvis Corporation, an Illinois corporation, and its successors or assigns.

(l) "Limited Common Elements" means those portions of the Common Elements, if any, so designated either on the Plat or elsewhere in this Declaration as being reserved for the use of a certain Unit or Units to the exclusion of other Units.

(m) "Majority" or "majority of the Unit Owners" means the owners of more than fifty per cent (50%) of the undivided ownership of the Common Elements. Any specific percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements.

(n) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

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

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

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

(r) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including

the Building or Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

(s) "Purchaser" means any person or persons, other than the Developer, who purchases a Unit in a bona fide transaction for value.

(t) "Record or Recording" refers to the record or recording in the office of the Recorder of Deeds in Cook County, Illinois.

(u) "Reserves" means those sums, if any, paid by Unit Owners which are separately maintained by the Board for purposes specified either by the Board or the Condominium Instruments.

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

(w) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto. Unless specifically provided otherwise herein, the Trustee shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

(x) "Voting Member" means the person entitled to exercise all voting power in respect to each Unit ownership.

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

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

4. Units. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument shall legally describe a Unit by its identifying number or symbol as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Nothing in this Declaration shall be construed to prohibit the subdivision or combination of any Units or the relocation of common elements affected or required thereby, provided the owner or owners of the Units so affected comply with the procedures set forth in the Act.

5. Association of Unit Owners and Administration and Operation of the Property.

(a) Formation and Operation of Association. There has been or will be formed an Association having the name "Jarvis on the Lake Condominium Association", or a similar name, which may be an

Illinois not-for-profit corporation, which Association shall be the governing body for all of the Unit Owners for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Declaration and the By-Laws. The By-Laws for the Association shall be the By-Laws attached to the Declaration as Exhibit C and made a part hereof. The Board of Directors of the Association shall constitute the Board of Managers provided for in the Act and shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of the Declaration and By-Laws. Each Unit Owner shall be a member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be One Hundred (100) and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements, as set forth in Exhibit B hereto.

(b) Non-Liability of the Directors, Board, Officers, Developer, Trustee and Beneficiaries of the Trustee. Neither the directors, Board, officers of the Association, Developer, Trustee nor the beneficiary of the Trustee shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors, Board, officers, Developer, Trustee or beneficiary, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board, officers, Developer, Trustee or beneficiary, and their respective heirs, executors, administrators, successors and assigns in accordance with the provisions of Article VIII of the By-Laws.

(c) Apartments for Building Personnel. The Board shall have authority to lease, purchase and mortgage a Unit, Units or other residential quarters for a building manager and engineer. All rental or debt service paid by the Association pursuant to a lease agreement or mortgage shall be a general common expense, as defined in Paragraph 10, below.

(d) Managing Agent. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of subparagraph (e), below. The cost of such services shall be a common expense, as defined in Paragraph 10, below.

(e) Initial Management Contract. The First Board, appointed as provided herein, shall ratify and approve the Management Agreement between either the Developer, the Trustee or the beneficiary thereof, on behalf of the Association, and a management company, to act as Managing Agent for the Property for a term commencing on the date this Declaration is recorded and terminating two years thereafter, at an annual rate of Forty-Two Hundred Dollars (\$4,200), which ratification and approval shall not be subject to the provisions of Article IV, Section 6 of the By-Laws of the Association.

(f) Parking Spaces Outside Parcel. The Board shall have the authority to lease, or accept assignments of leases, of parking and garage spaces outside the Parcel, and to lease, sublease, or otherwise allocate and administer said spaces as it deems appropriate, including without limitation making said spaces available to Unit Owners or renting said spaces to other parties. All rental fees or other costs incurred in connection with said spaces shall be a common expense, as defined in Paragraph 10, below, and all income derived from said spaces shall belong to the Association, provided however that the authority granted in this paragraph shall be limited to acquiring the use of said spaces for the benefit of the Unit Owners and this condominium project, and this paragraph shall not be construed as authorizing the Board to enter into or engage in the business of leasing or otherwise operating commercial parking or garage facilities.

6. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

7. Common Elements.

(a) Ownership of the Common Element. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by each Unit Owner, as set forth in Exhibit B attached hereto and made a part hereof as though fully set forth herein. The percentages of ownership interests set forth in Exhibit B have been computed and determined in accordance with the Act, and shall remain constant unless hereafter changed by recorded amendment to this Declaration either consented to in writing by the Unit Owners, in accordance with Paragraph 24, below, or consented to in writing by those parties whose consent is required by the Act if the change in percentage is part of a subdivision or combination of Units in accordance with Paragraph 4, above. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

(b) Use of the Common Elements. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the Property subject to leases made by or assigned to the Board) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to not only each Unit Owner, but also to his agents, servants, tenants, family members, customers, invitees and licensees. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements, if any, contiguous to and serving such Unit alone or with adjoining Units. Such rights to use the Common Elements, and the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Declaration, By-Laws and rules and regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws. All income derived

by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

(c) Scope of Common Elements. As set forth in Paragraph 1(f) above, the Common Elements encompass and include all portions of the Property (including the Limited Common Elements, if any) except those portions of the Property which are part of the Units, as said Units are depicted on the Plat or otherwise defined in this Declaration. Any references to "Common Elements" appearing on the Plat (except for references to Limited Common Elements) shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Elements in any way. Without limitation, the Common Elements include (and the definition of a Unit expressly excludes) all structural components of the building in which a Unit is located, and all pipes, wires, conduits, ducts, flues, shafts, or public utility lines, situated within the boundaries of such Unit and forming part of any system serving one or more other Units or the Common Elements.

(d) Storage. Storage areas for the Unit Owners' personal property in the Building outside of the Units shall be part of the Common Elements, and the exclusive use and possession of the storage area shall be allocated and re-allocated, from time to time, among the Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe. Each Unit Owner shall be responsible for such Unit Owner's personal property in the storage area. 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 whether or not due to the negligence of the Board and/or the Association.

(e) Parking. The garage building, containing two (2) parking spaces, is part of the Common Elements, and those parking spaces shall be allocated to Unit Owners by the Board at such fees and in such manner as the Board may prescribe. Parking spaces shall be used by the Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe, and parking spaces not so used by Unit Owners may be rented or otherwise used in such manner as the Board may prescribe.

(f) Lakefront Area. That portion of the Common Elements lying east of the Buildings shall be maintained, preserved, operated and used only as a park and lakefront area and for recreational uses incidental thereto, for the enjoyment and benefit of the Unit Owners. Notwithstanding the amendment provisions contained in Paragraph 24, this sub-paragraph, and the use restrictions contained herein, shall not be changed, modified, rescinded or amended without the consent of at least eighty percent (80%) of the Unit Owners.

8. Limited Common Elements.

(a) Designation and Reservation to Use of Certain Units. The Limited Common Elements shall be those portions of the Common Elements which are either (i) so designated on the Plat by the words "Limited Common Element" or "L.C.E.", or (ii) so expressly designated in this Paragraph 8, or elsewhere in this Declaration, as being Limited Common Elements. The enjoyment, benefit and use of any Limited Common Element is reserved, in the case of those Limited Common Elements which are contiguous to and serve exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, to said single Unit or one or more adjoining Units, unless the enjoyment, benefit and use of such Limited Common Element is expressly reserved to some other Unit or Units either on the Plat or in this Paragraph 8 or elsewhere in this Declaration.

(b) Intra-Unit Pipes, Ducts, Etc. All pipes, ducts, electrical wiring and conduits located entirely within a Unit or adjoining Units and serving only such Unit or Units are hereby expressly designated as Limited Common Elements.

9. Use by Trustee. During the period of development, construction and sale by the Trustee of any Units, the Developer, the Trustee and its beneficiary, and said beneficiary's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from said Building and Property as may be required for purposes of said development, construction and sale of Units. While the Trustee owns any of the Units and until each 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 Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

10. Common Expenses. Except as elsewhere provided herein, each Unit Owner, including the Trustee, shall pay his proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with the Declaration and By-Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair thereof and any and all replacements and additions thereto. Except for its responsibilities as a Unit Owner, as provided herein, neither the Developer, the Trustee nor its beneficiaries shall have any responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date this Declaration is recorded. Such proportionate share of the common expenses for each Unit Owner shall be in accordance with his percentage of ownership in the Common Elements. Payment of common expenses, including any prepayment thereof required by contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided by the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non use or enjoyment of the Common or Limited Common Elements or by abandonment of his Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with interest thereon at the rate of 8% per annum, or such greater percentage as may then be permitted under the law of the State of Illinois, after said common expenses become due and payable, shall constitute a lien on the interest of such Unit Owner in the Property as provided in the Act, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Unit Owner, owned or held by a bank, insurance company or savings and loan association, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the said mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security) or files suit to foreclose its mortgage, and causes a receiver to be appointed. This provision shall not be amended, changed, modified or rescinded without the prior written consent of all lien holders of record.

Notwithstanding any other provision contained in this Declaration or any of the Condominium Instruments to the contrary, the Trustee or Developer shall not be required to pay any monthly assessments on any unoccupied Unit owned by the Trustee or the Developer, prior to the time of the First Meeting pursuant to Article I, Section 3, of the By-Laws. Developer shall, however, be responsible for the payment of any monthly assessments on any units owned by the Trustee or the Developer which become due and payable after said First Meeting. Until the time of the First Meeting, Developer agrees to pay any deficiency between the amounts collected pursuant to the provisions of this Paragraph 10 and the actual Common Expenses incurred and paid.

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

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

13. Insurance.

(a) Property Damage. The Board shall have the authority to and shall obtain insurance for the Property, exclusive of the additions within, improvements to and decorating of the Units or Limited Common Elements by the Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board of the Association, as the trustee for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Declaration, and for the holders of mortgages on his Unit, if any. The policy of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against individual Unit Owners. The premiums for each insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements. If additional premiums are charged on insurance policies reflecting increased charges for coverage on certain, but not all of the Units, the Board, at its discretion, may assess these additional premiums to the specific Units for whose coverage they are applicable.

(b) Liability. The Board shall have the authority and duty to obtain comprehensive public liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements, in amounts deemed sufficient by the Board, insuring such parties as are required to be so insured by the provisions of the Act. The insurance shall cover claims of one or more insured parties against other insured parties. The insurance shall contain a waiver of any rights to subrogation by the insuring company against any of the other insured parties.

(c) Other Policies of Insurance. The Board shall also have authority to and may obtain, in such amounts as it deems desirable, workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, mortgagee of record, if any, the Association, its officers,

directors, Board and employees, the Trustee, and the Managing Agent, if any, from liability in connection with the Common Elements. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to each Unit Owner for his corresponding percentage of ownership in the Common Elements. The Board shall retain in safe-keeping any such public liability policy for twenty-three (23) years after the expiration date of the policy.

The Board shall have the authority to and may obtain a fidelity bond indemnifying the Association, the Board and the Unit Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or the Managing Agent, or of any other person handling the funds of the Association, the Board or the Unit Owners in such amount as the Board shall deem desirable. The premium for such fidelity bond shall be a common expense.

The Board shall also have authority to and may obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officer of the Association, and member of any committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is or was director or officer of the Association, or a member of such a committee. The premiums of such insurance shall be a common expense.

(d) Insurance to be Obtained by Individual Unit Owners. Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his own Unit and the Limited Common Elements serving his Unit, as well as his additions and improvements thereto, decorating, furnishings and personal property therein, and personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at his option and expense, obtain additional insurance.

14. Maintenance, Repairs and Replacements. Each Unit Owner at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association. However, at the discretion of the Board, maintenance of, repairs to and replacements within the Limited Common Elements may be assessed in whole or in part to the Units to which said Limited Common Elements are assigned, and, further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefitted by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance, repairs and replacement in the name and for the account of such benefitted Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractor's and sub-contractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

If, due to the act or neglect of a Unit Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association, to the extent not covered by the Association's insurance.

The authorized representatives of the Association, Board or of the Managing Agent with the approval of the Board shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or Limited Common Elements in the event of an emergency, or in connection with maintenance of, repairs or replacements within the Common Elements, Limited Common Elements or any equipment, facilities or fixtures affecting or serving other Units, Common Elements and Limited Common Elements, or to make any alteration required by any governmental authority.

15. Alterations, Additions or Improvements. Except as provided herein, or in the Act, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within the Unit of the Unit Owner without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

That part of the Common Elements separating and located between and exclusively serving two or more adjacent Units used together, (including, without limitation, portions of any hallway and any walls) may be altered to afford ingress and egress to and from such Units and to afford privacy to the Occupants of such Units when using such Common Elements, and that part of the Common Elements so altered may be used by the Unit Owner or Owners of such Units as a licensee pursuant to a license agreement with the Association, provided (a) the expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alteration; (b) such Unit Owner or Owners shall pay in full the expense of restoring such Common Elements to their condition prior to such alteration in the event such Units shall cease to be used together, as aforesaid; (c) such alteration shall not interfere with use and enjoyments of the Common Elements (other than the aforesaid part of the Common Elements separating such adjacent units), including without limitation, reasonable access and ingress to and egress from the other Units in the hallway affected by any such alteration, and shall not weaken, impair or endanger any other Common Elements or Units. The Unit Owner shall notify the Board of the nature of said alteration at least ten days prior to commencing work.

16. Decorating. Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his own Unit and Limited Common Elements serving his Unit, as may be required from time to time, including painting, wall papering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, doors, floor and ceilings, and such Unit Owner shall maintain said interior surfaces in good condition at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided

and other than of Limited Common Elements), and expressly including without limitation the exterior surfaces of all front doors to each of the Units, and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. The interiors of all windows forming part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of that Unit.

17. Easements.

(a) Encroachments. In the event that, by reason of the construction, 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 a Unit Owner to use or occupy any portion of the Common Elements for any reasonable use appurtenant to that Unit, 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 or the Common Elements, as the case may be, 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 Unit Owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Property by the other Unit Owners and if it occurred due to the willful conduct of any Unit Owner.

(b) Utility Easements. The Illinois Bell Telephone Company, Commonwealth Edison Company, the Peoples Gas, Light and Coke Company, and all other public utilities serving the Property are hereby granted the right to lay, construct, renew, alter, remove, 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. The Board may hereafter grant other or additional utility easements either (1) for the benefit of the Property or (2) for the benefit of other real property not included within the Property (regardless of whether such other real property is contiguous to or separated from the Property), over, under, along and on any portion of the Common Elements, and each Unit Owner hereby grants to the Board an irrevocable power of attorney to execute, acknowledge, register and record for and in the name of all the Unit Owners, such instrument as may be necessary to effectuate the foregoing.

(c) Easements to Run With The Land. All easements and rights described herein are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Unit 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 Paragraph 17, or described in any other part of this Declaration, shall not be necessary, and any such deed of conveyance, mortgage, trust deed or other evidence of obligation shall automatically 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.

18. Certain Superseding Provisions for the Benefit of Mortgagees, and their Successors and Assigns. To provide for and facilitate the mortgage financing of Units, for the benefit of both original Unit Owners acquiring their Units from the Trustee and subsequent Unit Owners, each of the following provisions are hereby made a part of this Declaration, and it is expressly declared to be the intention of Trustee that these provisions may be relied on by either the Federal Home Loan Mortgage Corporation ("FHLMC"), or the Federal National Mortgage Association ("FNMA") or by such other similar governmental or quasi-governmental authorities, agencies or bodies which may from time to time purchase or otherwise acquire first mortgages on any Unit in this Condominium. To the extent of any conflict, if any, between the provisions contained herein and the Act or other applicable state law, the Act or other applicable state law shall supersede and control, and said provision, to the extent of such conflict, shall be deemed null and void, but notwithstanding any other provision to the contrary contained elsewhere herein, in the event of any conflict between the provisions of this paragraph and any other provisions elsewhere in this Declaration, the provisions of this paragraph shall supersede and control.

(1) A first mortgagee of any Unit, upon request, will be entitled to written notification from the Association of any default in the performance by the individual Unit borrower of any obligation under the Condominium Instruments which is not cured within sixty (60) days.

(2) Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure will be exempt from any "right of first refusal" contained in the Condominium Instruments.

(3) Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

(4) Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned), or Unit Owners (other than the sponsor, Developer, or builder) of the individual Units have given their prior written approval, the Association shall not be entitled to:

(i) by act or omission, seek to abandon or terminate the condominium project;

(ii) change the pro rata interest or obligations of any individual Unit for the purpose of: (i) levying assessments or charges or allocating distributions or hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the Common Elements;

(iii) partition or subdivide any Condominium Unit;

(iv) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause);

(v) use hazard insurance proceeds for losses to any condominium property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such condominium property, except as provided by statute in case of substantial loss to the Units and/or Common Elements of the condominium project.

(5) First mortgagees shall have the right to examine the books and records of the Association or the condominium project.

(6) Condominium dues or charges shall include a reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessments.

(7) All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Condominium Units and not to the condominium project as a whole.

(8) Nothing herein shall give a Unit Owner, or any other party, priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or common elements.

(9) All amenities (such as parking, recreation and service areas) if and when constructed shall be part of the condominium project and are covered by the mortgage at least to the same extent as are the Common Elements.

(10) The Association shall deliver to FHLBC or FNMA copies of its annual financial statements, provided the Servicer of a mortgage purchased or acquired by FHLBC or FNMA delivers its address in writing to the Association and requests said statements.

(11) Any agreement for professional management of the condominium project, or any other contract providing for services by the Developer, sponsor or builder, must provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and a maximum contract term of three years.

(12) The Association shall give to FHLBC or FNMA notice in writing of any loss to, or taking of, the common elements of the condominium project if such loss or taking exceeds \$10,000 or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLBC or FNMA exceeds \$1,000, provided the Servicer of any such mortgage delivers its address in writing to the Association.

19. Use and Occupancy Restrictions. Subject to the provisions of the By-Laws, no part of the Property may be used for purposes other than housing and the related common purposes for which the Property was designed. Each Unit or any two or more adjoining Units used together shall be used as a residence or such other use permitted by this Declaration, and for no other purpose, except that professional and quasi-professional people may use their residence as an ancillary or secondary facility to an office elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

The Common Elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for such other purposes incidental to use of the Units; provided, however, that any parking area, laundry room, party rooms, receiving rooms, storage areas, recreational areas, and other areas designed for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged, or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

If a Unit Owner (other than the Trustee or its beneficiary or Developer) leases a Unit, a copy of such lease shall be furnished to the Board within ten (10) days after execution thereof. The lessee under each such lease shall be bound by and shall be subject to all of the non-monetary obligations of the Unit Owner-lessor under the Condominium Instruments and each such lease shall expressly so provide. The Unit Owner-lessor shall not be relieved thereby from any of said obligations. No Unit Owner may lease his Unit for hotel or transient purposes.

20. Damage or Destruction and Restoration of Building.

(a) Sufficient Insurance. In the event the improvements forming a part of the Property, or any portion thereof, including any Units, 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 therefore; provided, however, that in the event within one-hundred and eighty (180) days after said damage or destruction, the Unit Owners shall elect either to sell the Property as hereinafter provided in paragraph 22 hereof or to withdraw the Property from the provisions of this Declaration, and from the provisions of the 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 Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements as set forth in Exhibit B, after first paying out the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

(b) Insufficient Insurance.

(1) If the insurance proceeds are insufficient to reconstruct the Building and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of the Building within one-hundred and eighty (180) days from the date of damage or destruction, the Board may record a notice setting forth such facts and upon the recording of such notice:

(i) The property shall be deemed to be owned in common by the Unit Owners;

(ii) The undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such owner in the Common Elements;

(iii) Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Unit Owner in the Property as provided herein; and

(iv) The Property shall be subject to an action, for partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Property, if any, shall be considered as one fund and shall be divided among all the Unit Owners in a percentage equal to the percentage of undivided interest owned by each owner in the Property, after first paying out of the respective shares of the Unit Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Property owned by each Unit Owner.

(2) In the case of damage or other destruction in which fewer than one-half (1/2) of the Units are rendered uninhabitable, upon the affirmative vote of not fewer than three-fourths (3/4) of the Unit Owners voting at a meeting called for that purpose, the Building or other portion of the Property shall be reconstructed. The meeting shall be held within thirty (30) days following the final adjustment of insurance claims, if any; otherwise, such meeting shall be held within ninety (90) days of the occurrence. At such meeting the Board, or its representative, shall present to the members present an estimate of the cost of repair or reconstruction, and the estimated amount of necessary assessments against each Unit Owner.

(3) In the case of damage or other destruction, upon the affirmative vote of not fewer than three-fourths (3/4) of the Unit Owners voting at a meeting called for that purpose, any portion of the Property affected by such damage or destruction may be withdrawn from the Act. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a 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 payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Unit Owner shall be on 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. Any proceeds available from the withdrawal of any Limited Common Elements, will be distributed in accordance with the interest of those entitled to their use.

(c) Cessation of Common Expenses. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof by the Unit Owner shall cease.

21. Eminent Domain.

(a) Reallocation of Common Elements and Condemnation Award. Upon the withdrawal of any Unit or portion thereof due to eminent domain, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a 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 allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage interest. Any condemnation award 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. Proceeds available from the withdrawal of any Limited Common Element will be distributed in accordance with the interests of those entitled to their use.

(b) Cessation of Common Expenses. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof by the Unit Owner shall cease.

22. Sale of the Property. The Unit Owners through the affirmative vote of Voting Members having at least seventy-five percent (75%) of the total votes, 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 any Unit Ownership. Such action shall be binding upon all Unit Owners, and it shall thereupon become the duty of every Unit Owner to execute and deliver such instruments and to perform all acts as in manner or form may be necessary to effect such sale, provided, however, that any Unit 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 fair market value of his interest, as determined by arbitration as hereinafter provided, less the amount of any unpaid assessments or charges due and owing from such Unit Owner. In the absence of agreement on the fair market value of such interest, such Unit Owner and the Board shall each select an appraiser, and two so selected shall select a third, and the fair market value, as determined by said third appraiser, shall control. If either party shall fail to select an appraiser, then the one designated by the other party shall make the appraisal. The cost of the appraisal shall be divided equally between such Unit Owner and the Board, and the Board's share shall be a common expense.

23. Remedies. In the event of any violation of the provisions of the Act, Declaration, By-Laws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies which may be provided for in the Act, Declaration, By-Laws, Forcible Entry and Detainer Act, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as hereinafter in this paragraph provided, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of eight percent (8%) per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of his respective share of the common expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest

therein (other than as a security) or files suit to foreclose its mortgage and causes a receiver to be appointed. In the event of any such default by any Unit Owner, the Board and the manager or managing agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of mortgage liens against Units in the Building.

The violation of any restriction or condition 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 any other rights provided for in this Declaration; (a) to enter upon the Unit, or any portion of the property upon which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or 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; or (c) to take possession of such Unit Owner's interest in the property and to maintain an action for possession of such unit in the manner provided by law.

If any Unit Owner (either by his own conduct or by the conduct of any other occupant of his Unit) shall violate the Act, or any of the covenants or restrictions or provisions of this Declaration or the regulations adopted by the Board, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to said defaulting Owner a notice in writing terminating the rights of the said defaulting Owner to continue as a Unit Owner and to continue to occupy, use or control his Unit, and thereupon an action in equity may be filed by the Board against said defaulting Owner for a decree of mandatory injunction against such defaulting Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Owner's right to occupy, use or control the Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting 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 determine, except that the court shall enjoin and restrain the said defaulting Owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Owner in said decree. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to said defaulting Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit Ownership sold subject to this Declaration.

24. Amendment. Unit Owners owning not less than seventy-five percent (75%) of the total ownership of Common Elements may amend, modify or rescind the provisions of this Declaration by a resolution duly adopted at an annual or special meeting of Unit Owners or by an instrument in writing setting forth such amendment, modification or rescission signed by the requisite number of Unit Owners and duly acknowledged before a notary public; provided, however, that all lien holders of record must be notified by certified mail of such amendment, modification or rescission. An affidavit of the Secretary of the Association shall be sufficient and conclusive evidence of the vote of Unit Owners or the giving of notice to lien holders of record.

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

The change modification or rescission whether accomplished under either of the provisions of the preceding two paragraphs, shall be effective upon recording of such instrument in the office of the Recorder of Deeds of Cook County, Illinois; provided, however, that no change, modification or amendment which affects the rights, privileges or obligations of the Developer, the Trustee or its beneficiary shall be effective without the prior written consent of the Trustee or its beneficiary, and further provided that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

25. Notices. Notices provided for in the Act, Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board, or any Unit Owner, as the case may be, at 1206-1232 West Jarvis Avenue, Chicago, Illinois, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgment of the receipt thereof.

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

26. Miscellaneous

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

(b) Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of

the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the incumbent President of the United States, and the incumbent Governor of Illinois.

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

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

27. Exculpation. This Declaration is executed by LaSalle National Bank, as Trustee aforesaid and not individually, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and LaSalle National Bank hereby warrants that it possesses full power and authority to execute this instrument). It is expressly understood and agreed by every person hereafter claiming any interest under this Declaration that LaSalle National Bank, as Trustee as aforesaid and not personally, has joined in the execution of this Declaration for the sole purpose of subjecting the title holding interest and the trust estate described herein to the terms of this Declaration; that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against the Trustee or any of the beneficiaries under such Trust Agreement on account of this Declaration or on account of any representation, obligation, duty, covenant or agreement of Trustee in this instrument contained either express or implied, all such personal liability, if any, being expressly waived and released; and further, that no duty shall rest upon Trustee to sequester trust assets, rentals, avails or proceeds of any kind, or otherwise to see to the fulfillment or discharge of any obligation, express or implied, arising under the terms of this Declaration, except where Trustee is acting pursuant to direction as provided by the terms of such Trust Agreement, 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 this Declaration, or in the event of any question of apparent liability or obligation resting upon Trustee, the exculpatory provision hereof shall be controlling.

IN WITNESS WHEREOF, the said LaSalle National Bank, 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 by its Assistant Secretary, this _____ day of _____, 197_.

LASALLE NATIONAL BANK
As Trustee as aforesaid
and not individually

By _____
Vice President

Attest:

Assistant Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in
and for the County and State aforesaid, DO HEREBY CERTIFY
that _____, Vice President
of LaSalle National Bank, a national banking association,
and _____, Assistant
Secretary thereof, personally known to me to be the same persons whose
names are subscribed to the foregoing instrument as such Vice
President and Assistant Secretary, respectively, appeared before me
this day in person and acknowledged that they signed and delivered the
said instrument as their own free and voluntary act, and as the free
and voluntary act of said Bank, for the uses and purposes therein set
forth; and the said Assistant Secretary did also then and there
acknowledge that he as custodian of the corporate seal of said Bank
did affix the corporate seal of said Bank to said instrument as his
own free and voluntary act, and as the free and voluntary act of said
Bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day
of _____, A.D. 19__.

Notary Public

My Commission expires:

THE ILLINOIS CONDOMINIUM PROPERTY ACT

THE UNDERSIGNED, Jarvis Corporation, as Developer of Jarvis on the Lake Condominium, established by the foregoing Declaration, does hereby certify that, prior to the execution by the undersigned or its agent of any agreement for the sale of any unit, the undersigned has given a copy of the Notice of Intent required pursuant to Section 30 of the Illinois Condominium Property Act to all persons, if any, who were tenants of the building located on the real estate on the date the notice was given.

JARVIS CORPORATION

By: _____

Attest: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County and State aforesaid, do hereby certify that before me on this day personally appeared _____, to me known to be the _____ President and _____ Secretary, respectively, of Jarvis Corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal this _____ day of _____, 19____.

Commission expires:

Notary Public

EXHIBIT "C"

BY-LAWS
OF
JARVIS ON THE LAKE CONDOMINIUM ASSOCIATION

ARTICLE I

Members
(Unit Owners)

SECTION 1. Eligibility. There shall be one class of Members of JARVIS ON THE LAKE CONDOMINIUM ASSOCIATION. The Members shall consist of the respective Unit Owners of the Property known as Jarvis on the Lake Condominium, located at 1206-1232 West Jarvis Avenue, Chicago, Illinois (called "Property"), in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Unit Owners (these and other terms are used in these By-Laws as they are defined in the Declaration of Condominium Ownership for Jarvis on the Lake Condominium, 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 means and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Declaration). If a Unit Owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, the member may be an officer, partner or employee of such Unit Owner or beneficiary.

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

SECTION 3. Regular Meetings. The first regular annual meeting of Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board, provided, however, that said First Meeting shall be held not later than either (a) sixty (60) days after LaSalle National Bank, as Trustee under Trust Agreement dated July 18, 1979, and known as Trust No. 101307 ("Trustee"), has sold and delivered its deed for at least 75% of the Units, or (b) thirty-six (36) months from the recording date of the Declaration, whichever is earlier. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year within 15 days of the anniversary of the First Meeting. One of the purposes of which shall be to elect members of the Board. All such meetings of Unit Owners shall be held at such place in Cook County, Illinois, and at such time, and for purposes as specified in the written notice of such meeting which shall be mailed to all Unit Owners at least ten (10) days and not more than thirty (30) days prior to the date of such meeting. The method of calling meetings shall be by the aforesaid written notice sent by the Board, copies of which notice may also be either delivered personally to the Unit Owners or to the entry door of their Unit or posted conspicuously in the hallways, lobbies, or on bulletin boards or other parts of the Common Elements, at the discretion of the Board.

SECTION 4. Special Meetings. Special meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board, or by twenty percent (20%) of the Unit Owners. Said special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days nor more than thirty (30) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered. Matters to be submitted by Unit Owners shall first be submitted to the Board, at least five (5) days prior to the special meeting, who shall then submit such matters to the special meeting.

SECTION 5. Voting Member. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such Voting Members shall be the Unit Owner or one of the group composed of all the Unit Owners of a Unit Ownership or may be some person designated by such Unit Owners to act as proxy on his or their behalf and who need not be a Unit Owner. Such designations 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 Unit Owner or Unit Owners. Any or all Unit Owners of a Unit Ownership, and their designee, if any, may be present at any meeting of the Voting Members, but only the Voting member of the Unit Ownership may vote or take any other action as a Voting Member either in person or by proxy. The Trustee shall designate the Voting Member with respect to any Unit Ownership owned by the Trustee. In the absence of any written designation with respect to a particular Unit, the Board shall be entitled to conclusively rely on a vote cast by any one of the group composed of all the Unit Owners of that particular Unit.

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

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

SECTION 8. Miscellaneous.

- (a) No merger or consolidation of the Association; sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the Property and assets of the Association; and the purchase or sale of land or of Units on behalf of all Unit Owners shall be effected unless there is an affirmative vote of two-thirds (2/3) of the votes of Unit Owners, or such greater percentage as may be provided for in the Declaration.
- (b) When thirty percent (30%) or fewer of the Units, by number, possess over fifty percent (50%) of the aggregate of the votes in the Association, any percentage vote of members specified in the Condominium Instruments or the Act, shall require instead the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to Units that would otherwise be applicable.

ARTICLE II

Board of Directors

SECTION 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to in the Condominium Property Act of the State of Illinois as the "Board of Managers," and sometimes referred to herein as the "Board") shall consist of seven (7) members (hereinafter referred to as "Directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that, until the election of directors at the first regular annual meeting of Members, the directors (hereinafter called "members of the First Board") shall be appointed by the Developer or the beneficiary of

the Trustee. Those candidates for election as director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected, provided, however, that at no one time shall there be more than four (4) directors on the Board who are residents of the east Building, and at no time shall there be more than four (4) directors on the Board who are residents of the west Building. At the initial election held at the first regular meeting of Members, those four (4) directors receiving the greatest number of votes shall hold office for a term of two years, and the remaining three (3) directors shall hold office for a term of one year. Thereafter, every director shall hold office for a term of two years and until his successor shall be elected and qualified. Members of the Board may succeed themselves.

SECTION 2. Qualification. Except for members of the First Board, each director shall be a resident of one of the Buildings and shall be a Unit Owner (or, if a Unit Owner is a trustee of a trust, a director may be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, a director may be an officer, partner or employee of such Unit Owner or beneficiary). 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 shall be filled by majority vote of the remaining members thereof, except that a vacant position on the Board which was last filled by a member of the First Board may be filled by a person appointed by the beneficiary of the Trustee. Any director so elected or appointed 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 meeting of Unit 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 proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting. The Board shall meet at least four (4) times annually, and at such other times as the Board deems necessary. Meetings of the Board shall be open to any Unit Owner and notice of any such meeting shall be mailed at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice.

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

SECTION 6. Compensation. Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions adopted by the Unit Owners.

SECTION 7. Quorum. Four (4) directors shall constitute a quorum.

SECTION 8. General Powers and Duties of the Board. The powers and duties of the Board shall include, but shall not be limited to, the following matters:

- (a) operation, care, upkeep, maintenance, replacement and improvement of the Common Elements;
- (b) preparation, adoption and distribution of the annual budget for the Property;

- (c) levying of assessments;
- (d) collection of assessments from Unit Owners;
- (e) employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements;
- (f) obtaining adequate and appropriate kinds of insurance;
- (g) owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by it;
- (h) adoption and amendment of rules and regulations covering the details of the operation and use of the Property;
- (i) keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;
- (j) to have access to each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to other Unit or Units.

SECTION 9. Other Powers and Duties. The Board shall also 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, if the Board deems desirable, 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 Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided herein, shall ratify and approve the Management Agreement between the Developer or the Trustee, or its beneficiary, on behalf of the Association, and a management company to act as Managing Agent for the Property for a term commencing on the date this Declaration is recorded and terminating two years thereafter or sooner pursuant to the cancellation provisions thereof, at an annual rate of Forty-Two Hundred Dollars (\$4,200.00), which ratification and approval shall not be subject to the provisions of Article IV, Section 6 hereof;
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;
- (e) to provide for payments for all debts, obligations, and contracts of the Association and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;
- (f) 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 Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);

- (g) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (h) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (i) to lease, purchase and mortgage a Unit, Units or other residential quarters for a building manager and engineer. All rental or debt service paid by the Association pursuant to a lease agreement or mortgage shall be a general common expense;
- (j) to acquire such furnishings, equipment, and other personal property for the Common Elements as the Board shall determine are necessary and proper;
- (k) to maintain and repair 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 the Building, and, if a Unit 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 mailed or delivered by the Board to said Unit Owner, the Board may levy a special assessment against such Unit Owner for the cost of said maintenance or repair.
- (l) the Board or its agent upon reasonable notice, may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Board as a common expense.
- (m) the Board may adopt such reasonable rules and regulations, not inconsistent herewith, as it may deem advisable for the maintenance, administration, management, operation, use, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants of the Property. Written notice of such rules and regulations shall be given to all Unit Owners and Occupants and the entire Property shall at all times be maintained subject to such rules and regulations.
- (n) upon authorization by the affirmative vote of not less than a majority of the Voting Members at a meeting duly called for such purposes, the Board, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments and any other special taxes or charges of the State of Illinois or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge and collect all expenses incurred in connection therewith as common expenses.
- (o) to lease, or accept assignments of leases, of parking and garage spaces outside the Parcel, and to lease, sublease, or otherwise allocate and administer said spaces as it deems appropriate, subject to the limitations set forth in paragraph 5(f) of the Declaration.
- (p) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as said majority is defined in Paragraph 1(m) of the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;

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

SECTION 10. 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 Unit 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 Unit Owners, and who shall be the chief executive officer of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;
- (c) 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;
- (d) 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. Either the President or the Secretary may mail and receive notices and execute amendments to the Condominium Instruments as provided for in the Act and in the Condominium Instruments.

SECTION 3. Term of Office. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified.

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 officer 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 vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

SECTION 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Unit 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 but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. The total of the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than in expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for capital expenditures, in reasonable amounts as determined by the Board. The reserve for capital expenditures shall be held in a segregated account in the name of the Association.

SECTION 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies of the proposed annual budget shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the adoption thereof. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. Unless otherwise provided in the Declaration, such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements as set forth in Exhibit B of the Declaration. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, or Common Elements, or the Limited Common Elements. Each Unit Owner shall receive notice, in the same manner as is provided herein for membership meetings, of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment.

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

SECTION 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing an itemized accounting of the common expenses for the preceding year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the annual assessments, and showing the net excess or deficit of income over expenditures plus reserves, and such other information as the Board may deem desirable.

SECTION 5. 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 and limited common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

SECTION 6. Expenditures. Except with respect to such expenditures which (i) are specifically authorized by the Declaration or By-Laws, or (ii) are required by law, or (iii) can be paid from the proceeds of insurance received by or for the account of the Board, or (iv) are immediately necessary for the emergency repair, preservation, safety or protection of the Unit Owners or the Common Elements, the Board shall have no authority to approve or authorize any structural alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00) or such greater amount to which said sum is increased as hereinafter provided, or any contract for a term of more than four (4) years, unless such expenditure or contract shall have been approved by two-thirds (2/3) of the total ownership of the Common Elements. The \$5,000.00 sum set forth above shall be changed (either by increase or decrease) annually on the first day of January of each calendar year following the year of the recording of the Declaration, by multiplying said sum by a fraction, the numerator of which is the Index (as defined below) for the month of October preceding each said January, and the denominator of which is said Index for the month of October of the year in which the Declaration was recorded, provided however, that said sum shall never be decreased to below \$5,000.00. The "Index", as used herein, shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers, for Chicago, All Items, Base 1967=100, published by the U.S. Department of Labor, Bureau of Labor Statistics, or in the event said index is discontinued or no longer published, then the successor or most nearly comparable successor index thereto.

SECTION 7. Lien. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses and limited common expenses, as provided in the Declaration, and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of the common expenses or limited common expenses when due, the amount thereof together with interest thereon at the rate of 8% per annum or such greater percentage as may then be permitted under the laws of the State of Illinois after said common expenses become due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the interest of such Unit Owner held by an insurance company, bank or savings and loan association, except for the amount of the proportionate share of common expenses and limited common expenses which are due and payable from and after the date on which such mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security), files suit to foreclose its mortgage or causes a receiver to be appointed. The provisions of this paragraph of this Section 7 shall not be amended, changed, modified or rescinded in any way without the prior written consent of all such lien holders of record.

The Association or its successors and assigns, or the Board or its agents, 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 suit and other fees and expenses, together with legal interest and reasonable attorneys' fees to be fixed by the Court. Furthermore, if any Unit Owner shall fail or refuse to pay when due his proportionate share of the common expenses or limited common expenses and such Unit Owner withholds possession of his Unit after

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

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 and Limited Common Elements, specifying and itemizing the common expenses and limited 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 Unit Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

SECTION 9. Discharge of Liens. The Board 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 a lien against only a particular Unit Ownership. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien.

SECTION 10. 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 Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in 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 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 Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. No Unit Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his 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 Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's direction. No owner of a Unit shall display, hang, store or use any sign outside his Unit, in a hallway or elsewhere, or which may be visible from the outside of his Unit without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's direction.

SECTION 2. Animals. No animals (including without limitation any dogs) shall be raised, bred or kept in any Unit, except for household cats and small birds owned as household pets by a Unit Owner, provided that said pet is not kept for any commercial purpose, and provided that said pet shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted by the Board, and provided that said pet shall not in the judgment of the Board constitute a nuisance to others. The Board, in its discretion, may adopt rules and regulations prohibiting the keeping of household pets altogether, or limiting the permissible number or kind of animals.

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 development, construction and sale by the Trustee of any Units, the Trustee and its beneficiary, and said beneficiary's agents, employees, contractors and sub-contractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from said Building and Property as may be required for purposes of said development, construction and sale of Units. While the Trustee owns any of the Units and until each 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 Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

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

SECTION 6. Wiring. No Unit Owner shall overload the electrical 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 Board or the prior written consent of the Managing Agent, given in accord with the Board's direction.

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 three-fourths (3/4) of the total ownership of the Common Elements, and such amendment shall be effective upon the recording, in the Office of the Recorder of Deeds of Cook County, Illinois, of a certificate of the Secretary of the Association setting forth the amendment and certifying the requisite percentage vote of the total ownership; provided, however, that no change, modification or amendment which affects the rights, privileges, or obligations of the Developer, the Trustee or its beneficiary shall be effective without the prior written consent of the Trustee or its beneficiary.

ARTICLE VIII

Indemnification

SECTION 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board, Trustee and beneficiary, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members, Trustee or beneficiary, on behalf of the Unit Owners, or arising out of their status as directors, Board, officers, committee members, Trustee or beneficiary unless any such contract or act is contrary to the provisions of the Declaration or these By-Laws or shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member, Trustee or beneficiary may be involved by virtue of such persons being or having been such director, officer, Board, committee member, Trustee or beneficiary; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, Trustee or beneficiary, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, Trustee or beneficiary.

SECTION 2. Success on Merits. To the extent that the Trustee or beneficiary or 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. 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 person or entity seeking such indemnification or payment in advance 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 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, Trustee or beneficiary, or out of the aforesaid indemnity in favor of the directors, Board, officers, members of such committees, Trustee or beneficiary, shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of such committees, Trustee or beneficiary or by the Managing Agent on behalf of the Unit Owners shall provide that the directors, Board, officers, members of such committees, Trustee, beneficiary or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article 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 or entity who has ceased to be Trustee or beneficiary or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE IX

Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Declaration of Condominium Ownership for Jarvis on the Lake Condominium, which Declaration is recorded in the office of the Recorder of Deeds of Cook County, Illinois.

The term "member," as used in these By-Laws, means "Unit Owner" as defined in the Declaration.