

This instrument prepared by
(and after recording return to):

Jason A. Doran
Toussaint & Carlson, Ltd.
2500 S. Highland Ave., Suite 360
Lombard, IL 60148



Doc#: 0914118000 Fee: \$250.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 05/21/2009 09:46 AM Pg: 1 of 50

Permanent Tax Index Number:

03-07-100-013-0000

Property Address:

3105 - 3135 North Frontage Road (a/k/a 3115 Wilke
Road) Arlington Heights, IL 60004

(Space above line reserved for recording information.)

DECLARATION OF CONDOMINIUM
OF
ENTERPRISE OFFICE CENTER CONDOMINIUMS.

THIS DECLARATION OF CONDOMINIUM is made and entered into this 19 day of May, 2009, by Enterprise Office Center, L.L.C., an Illinois limited liability company, having its principal place of business at 300 Park Boulevard, Suite 500, Itasca, Illinois 60143 (hereinafter sometimes referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain real estate, hereinafter described, in the Village of Arlington Heights, County of Cook, State of Illinois; and

WHEREAS, Declarant intends to, and does hereby submit such real estate, together with all buildings, structures, improvements, and other permanent fixtures of whatsoever kind, now existing or hereafter to be constructed thereon, all rights and privileges belonging or in anywise pertaining thereto, and any and all easements appurtenant thereto to the provisions of the Illinois Condominium Property Act; and

WHEREAS, Declarant desires to establish certain rights and easements in, over, and on said real estate for the benefit of itself and all future owners of any part of said real estate, and any unit or units thereof or therein contained, and to provide for the harmonious, beneficial, and proper use and conduct of the real estate and all units; and

WHEREAS, Declarant desires and intends that the several Unit Owners, mortgagees, Occupants, and other Persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of and shall hold their interests subject to the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to

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promote and protect the cooperative aspect of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

NOW, THEREFORE, Declarant declares as follows:

1. **Definitions.** Certain words and terms used in this Declaration are defined as follows:

(a) *Act:* The Condominium Property Act of the State of Illinois, as amended from time to time.

(b) *Association:* Enterprise Office Center Condominium Association which is the Association of all the Unit Owners acting pursuant to the Bylaws attached hereto as Exhibit E, through its duly elected Board.

(c) *Board:* The board of managers of the Association as constituted at any time and from time to time. In the event the Association is incorporated, the "Board" shall mean the Board of Directors of the incorporated Association.

(d) *Buildings:* All structures, attached or unattached, located on the Property, containing one or more Units.

(e) *Bylaws:* the Bylaws of the Association, which are attached hereto as Exhibit E.

(f) *Common Elements:* All portions of the Property except the Units, including, without limiting the generality of the foregoing, the Parcel, stairways, corridors, roofs, storage areas, parking, mechanical rooms, and equipment therein, refuse collection system, central heating, ventilating and air conditioning systems, and structural parts of the improvements on the Parcel, wherever located.

(g) *Common Expenses:* The proposed or actual expenses affecting the Property, including Reserves, if any, including without limitation:

(1) the cost of maintenance, management, operation, repair and replacement of the Common Elements and all other areas within the Property which are maintained by the Association;

(2) the cost of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys, architects and employees;

(3) the cost of any utilities, trash pickup and disposal, elevator, landscaping, and other services benefiting the Unit Owners and their Units to the extent such services are paid for by the Association;

(4) the cost of fire, casualty, liability, worker's compensation and other insurance maintained by the Association as provided in this Declaration;

(5) reasonable reserves as deemed appropriate by the Board or otherwise required pursuant to the Condominium Instruments;

(6) the cost of bonding of the directors, officers and employees of the Association, any professional managing agent or any other person handling the funds of the Association;

(7) taxes paid by the Association;

(8) amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Elements or portions thereof;

(9) any improvement district assessments imposed on the Parcel as a whole rather than against the Units;

(10) the cost of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever in furtherance of the purposes or the discharge of the obligations imposed on the Association by the Condominium Instruments.

(h) *Condominium Instruments*: All documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the Declaration, Bylaws and Plat.

(i) *Developer*: Enterprise Office Center, L.L.C., an Illinois limited liability company, and its successors and assigns, or such other Persons as the Declarant may from time to time designate. The Developer is the Developer of the Property as "Developer" is defined in the Act. For purposes hereof, any receiver or mortgagee in possession with respect to the entire interest of Developer shall be entitled to exercise all rights of Developer during the period of its receivership or possession as mortgagee in possession, as the case may be.

(j) *First Mortgagee*: An owner of a bona fide first mortgage or first trust deed covering any portion of the Property.

(k) *Initial Board of Managers*: The first Board, the majority of the members of which are Unit Owners other than the Developer.

(l) *Limited Common Elements*: That part of the Common Elements serving one or more Units exclusively as an inseparable appurtenance thereto (to the exclusion of one or more other Units), including specifically (1) such portions of the perimeter walls, floors and ceilings, windows and doors, and all fixtures and structures therein that lie outside the Unit boundaries, pipes, ducts, flues, shafts, electrical wiring or conduits, or other system or component part thereof that serve such Unit or Units exclusively to the extent such system or component part is located outside the boundaries of such Unit or Units, (2) the heating, ventilating and air conditioning systems serving one or more of the Units (but not all of the Units or the Common Elements), and (3) any other areas designated as Limited Common Elements on the Plat. The

foregoing shall be considered Limited Common Elements regardless of whether such items are installed, constructed and/or maintained by the Developer, the Association or the Unit Owner.

(m) *Maintenance Fund*: All money collected or received by the Association pursuant to the provisions of the Condominium Instruments.

(n) *Majority or Majority of Unit Owners*: The owners of more than fifty percent (50%) in the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided ownership.

(o) *Occupant*: A person or persons, other than a Unit Owner, in possession of a Unit.

(p) *Parcel*: The lot or lots or tract or tracts of land, described in Paragraph 2 hereof, submitted to the provisions of the Act.

(q) *Person*: A natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

(r) *Plat*: A plat or plats of survey of the Parcel and of all Units in the Property submitted to the provisions of the Act, which shall consist of the three-dimensional, horizontal, and vertical delineation of all such Units and such other data as may be required by the Act.

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

(t) *Record; Recordation; Recording; Recorded*: To record or have recorded in the Recorder's Office of Cook County, Illinois.

(u) *Reserves*: Those sums paid by Unit Owners that are separately maintained by the Board for purposes specified by the Board or the Condominium Instruments.

(v) *Unit*: Any part of the Property designed and intended for any type of independent use and designated on the Plat as a Unit.

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

2. Legal Description of the Parcel. The Parcel hereby submitted to the provisions of the Act is legally described on Exhibit A attached hereto and incorporated herein by this reference.

3. Description of Units. All Units are delineated on the Plat, attached hereto as Exhibit D and made a part of this Declaration. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Said Units are legally described on Exhibit B attached here and made a part hereof. As shown on the Plat, each Unit will consist of the area enclosed by the interior surfaces of its perimeter walls, floors, and ceilings, and the exterior surfaces of its doorways including the portions of the Building so described and the airspace so enclosed, but not including any Common Elements located therein. When interpreting deeds, mortgages, deeds of trust, and other instruments of any representation of any Unit, the existing physical boundaries of the Unit or any Unit reconstructed in substantial accordance with the original plans of the Unit will be conclusively presumed to be the boundaries regardless of any settling, rising, or lateral shifting of the Building.

4. Use and Ownership of Common Elements.

(a) The use of the Common Elements, and the rights of the Unit Owners with respect thereto, shall be subject to and governed by the Act, the Condominium Instruments, and the rules and regulations of the Board. The Board shall have authority to lease, license or grant concessions with respect to portions of the Common Elements other than the Limited Common Elements. All income derived by the Association from leases, licenses, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to the Condominium Instruments, and the rules and regulations of the Association.

(b) Each Unit Owner shall own an undivided interest in the Common Elements, in the percentage set forth in Exhibit C, attached hereto and made a part hereof, as a tenant in common with all other Unit Owners. Except for the Limited Common Elements, each Unit Owner and his employees, agents, contractors, permitted Occupants, and invitees shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit as a place of business and such other incidental uses permitted by the Condominium Instruments, which right shall be appurtenant to and run with his Unit. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements serving only his Unit, the Limited Common Elements access to which is available only through his Unit; and shall also have the right to the use and possession of the Limited Common Elements serving his Unit and certain other Units (but not all other Units), such use and possession being subject to the reasonable use and possession of other Unit owners served by such Limited Common Elements, and to the exclusion of all other Unit Owners. The right to the exclusive use and possession of the Limited Common Elements as aforesaid shall be appurtenant to and run with the Unit of such Unit Owner. Limited Common Elements may not be transferred between or among Unit Owners.

(c) Those portions of the Common Elements devoted to outdoor parking, which are not otherwise designated as reserved on Exhibit C for Building 3105 Unit 1-4 and Building 3115 Unit 9, shall be and remain available for the general use and enjoyment of the Unit Owners of Buildings 3115, 3125, and 3135 and their respective employees, agents, contractors, permitted Occupants and invitees, on an unreserved basis, subject to the limitations of this Paragraph 4(c). To ensure the availability of unreserved, outdoor parking for all Unit Owners of Buildings 3115, 3125, and 3135 and their employees, agents, contractors, permitted Occupants and invitees, each

Unit Owner of Buildings 3115, 3125, and 3135, including such Unit Owner's employees, agents, contractors, permitted Occupants and invitees, shall have the use of not more than its proportional percentage in the unreserved parking spaces based on its proportional percentage in the common elements as set forth on Exhibit C (taking into account the 4 reserved spaces for Building 3115 Unit 9), attached hereto to and made a part of this Declaration. Except as set forth in Section 4(d) below, Unit 3105 use of parking shall be limited to the reserved spaces set forth in Exhibit C and Unit 3105 shall be excluded from the calculation for unreserved spaces.

(d) The Association shall be obligated to assure that the Unit Owner of Building 3105 Unit 4 shall not be prevented from a designated medical use due solely to Village of Arlington Heights parking requirements. If the Village of Arlington Heights prohibits medical use for Building 3105 Unit 4 solely because of Village parking requirements, the Association agrees to apply for and obtain a variance or such other relief from the Village to satisfy the Village's medical-use-parking requirement. If the Association is unable to obtain such relief, the Association shall assign an additional twelve (12) parking spots to Building 3105 Unit 4 in accordance with current code requirements. If the Association is required to assign the parking spots, such spots will be assigned from the general pool of unreserved spots (or otherwise as the Association may determine) and shall be reflected as reserved to Building 3105 Unit 4 on Exhibit C. Additionally, upon any formal objection by the Village, the Association shall assure that all parking spots reserved to the Unit Owners of building 3105 pursuant to Exhibit C hereto (including the additional 12 spots if applicable), are fully compliant with the now existing Village of Arlington Heights code requirements. The provisions of 4(c) and 4(d) pertaining to the parking rights granted to Building 3105, including but not limited to the reserved parking reflected in Exhibit C, shall only be amended with the consent of all owners in Building 3105.

5. Encroachments and Easements. Notwithstanding Article II Section 2(d) of the Bylaws,

(a) If any part of the Common Elements encroaches or shall hereafter encroach on any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach on any part of the Common Elements, or any portion of any Unit encroaches on any part of any other Unit as a result of the construction, repair, reconstruction, settlement, or shifting of the Building, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of (i) the Unit Owner of the Unit so encroaching, or (ii) all the Unit Owners with respect to the Common Elements so encroaching, as long as all or any part of the Building containing such Unit or Common Elements so encroaching shall remain standing; provided, however, that after the date this Declaration is Recorded, a valid easement for an encroachment shall in no event be created in favor of any owner of a Unit other than the Declarant or in favor of the owners of the Common Elements if such encroachment occurred due to the willful conduct of said owner or owners.

(b) The Village of Arlington Heights and all other providers of public utility and cable services serving the Property, are hereby granted the right to lay, construct, renew, replace, operate and maintain conduits, cables, pipes, wires, transformers, switching apparatus, and other equipment related to their service to the Property, into and through the Common Elements and the Units, where reasonably necessary, for the purposes of providing utility, entertainment and communication services to the Property, as long as such grantees repair any damage to the Property resulting from an exercise of their rights hereunder. Subject to the terms of Paragraph 5(c), the Developer or Association may hereafter grant other or additional easements for utility

or entertainment purposes and for any other purposes including, but not limited to, such easements as may be required to construct, keep and maintain improvements on the Common Elements for the benefit of the Property, over, under, along and on any portion of said Common Elements, and each Unit Owner hereby grants the Developer and the Association an irrevocable power of attorney to execute, acknowledge, and effectuate the foregoing (provided that with respect to all easements granted hereby or pursuant hereto, no Unit Owner shall be deprived of, or be subjected to material interference with, the use of its Unit or any Limited Common Element appurtenant to its Unit, other than reasonably). Each mortgagee of a Unit shall be deemed to consent to and be subordinate to any easement hereafter granted pursuant to the provisions of this Subparagraph 5(b) and also grants such power of attorney to the Developer and the Association necessary to effectuate the foregoing.

(c) Upon approval by at least sixty-seven percent (67%) of the Unit Owners, portions of the Common Elements may be dedicated to a public body for purposes of streets or utilities. Where such a dedication is made, nothing in the Act or any other law shall be construed to require that the real property taxes of every Unit must be paid prior to Recordation of the dedication. Upon approval by a Majority of the Unit Owners, an easement may be granted to a governmental body for construction, maintenance and repair of a project for protection against water damage or erosion. Any action pursuant to this Subparagraph 5(c) must be taken at a meeting of Unit Owners duly called for the purpose.

(d) The Developer, its contractors and subcontractors, and their respective agents and employees shall have an easement for ingress, egress, and access to and throughout the Property to perform, and as may be required in connection with, the construction and equipping of the improvements on the Parcel, which easement shall continue at the Developer's discretion for two (2) years following the date of the election of the Initial Board of Managers. In connection therewith, the Developer, its contractors and subcontractors, and their respective agents and employees shall have the right to take into and through and maintain on the Property all material and equipment required in connection with such construction and equipping, and to suspend temporarily operation of entrances, doors, corridors, and other Common Elements without liability to any Unit Owner or Occupant; provided, however, that at all times Unit Owners and Occupants shall have reasonable access to their respective Units and Limited Common Elements, and the Developer shall cause as little inconvenience to Unit Owners and Occupants as is reasonably possible under the circumstances. The Developer shall promptly repair any damage caused to the Common Elements or any Unit in connection with the exercise of its rights and easements under this Subparagraph 5(d).

(e) Without limitation of the terms of Subparagraph 5(d), the right of the Unit Owners to use and possess the Common Elements shall be subject to a blanket easement over the Common Elements in favor of the Developer, and its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors, and assigns, for the purpose of (i) access and ingress to, and egress from, the Property, or any part thereof, (ii) construction, installation, repair, replacement, and restoration of utilities and any other portion of the improvements thereon, including the right to restrict and regulate access to the Common Elements for the purposes of completing construction of the Common Elements or Units, and (iii) the installation and maintenance of signs advertising the Units in the Property, and signs

directing potential purchasers to the sales office and models erected in connection with the Units and for such purposes as described in Subparagraph 11(c). The foregoing easement in favor of the Developer shall continue until such time as may be required by the Developer, in its sole discretion, to perform, construct or equip Common Elements or Units, and to make certain modifications thereof, for two (2) years following the election of the Initial Board of Managers, at which time such easements shall cease and be of no further force and effect without the necessity of any further action.

(f) A blanket easement over the Property is hereby granted in favor of the Association for the purpose of exercising its rights and performing its duties under this Declaration. The authorized representatives of the Association or the Board, or of the manager or managing agent for the Property, and any suppliers of water, utility or cable television or similar entertainment or communications services to the Property shall be entitled to reasonable access to, over, and through the individual Units as may be required in connection with the operation, maintenance, repairs or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements, or to service and take readings of any utility meters located within a Unit.

6. Pipes, Utilities, Etc. All pipes, wires, ducts, flues, chutes, conduits, sewer lines, public utility lines (to the outlets), and structural components located in or running through a Unit and serving more than one Unit or another Unit or serving, or extending into, the Common Elements, or any part thereof, shall be deemed part of the Common Elements. No Unit Owner may take any action that would interfere with the ability of (a) the Association to repair, replace or maintain said Common Elements as provided herein, or (b) another Unit Owner to extend, connect tap on or otherwise access reasonably said Common Elements or any utilities located therein in connection with such other Unit Owner's Initial Construction as described in Paragraph 11(o) below. Each Unit Owner shall allow an adjacent Unit Owner reasonable access to such areas of the first Unit Owner's Unit for the purpose of completing the Initial Construction of such adjacent Unit.

7. Restriction on Sale or Other Alienation.

(a) Any Unit Owner who desires to sell his Unit, or any interest therein, to any Person shall first obtain from the proposed purchaser a bona fide executed offer in writing, setting forth all the terms and conditions of said proposed transaction. The offer shall be expressly subject to the terms of this Paragraph 7. If any Unit Owner receives such an offer that he intends to accept, he shall accept such offer subject to the terms of this Paragraph 7 and give written notice to the Association of such offer and acceptance, stating the name and address of such proposed purchaser, the terms of the proposed transaction, and such other information as the Association may reasonably require, and shall furnish a copy of such executed offer and acceptance to the Association. The giving of such notice shall constitute a warranty and representation by the giver thereof that he believes such offer and all information contained in the notice to be bona fide, true, and correct in all respects. During the period of thirty (30) days following receipt by the Association of such written notice, the Association shall have the first right and option to purchase such Unit (or to cause the same to be purchased by any designee or assignee, corporate or otherwise, of the Association) on the same terms and conditions as stated

in the aforesaid notice received by the Association. If the Association shall give written notice to the Unit Owner within said thirty (30) day period of the exercise of its first right and option, the transaction between the Unit Owner and the Association or its designee shall be consummated on the same terms as set forth in the notice to the Association. If the Association shall give written notice to the Unit Owner within said thirty (30) day period that it has elected not to exercise such first right and option, or if the Association shall fail to give any notice within said thirty (30) day period, then the proposed transaction as described and set forth in the notice to the Association may be consummated within ninety (90) days after the expiration of said thirty (30) day period. If the Unit Owner fails to consummate such transaction within such ninety (90) day period, then such Unit and all rights with respect thereto shall again become subject to the first right and option of the Association as herein provided.

(b) Any Unit Owner who wishes to make a gift of his Unit, or any interest therein, or who wishes to transfer his Unit, or any interest therein, for a consideration other than cash or notes (secured or unsecured) of such transferee or the assumption of an existing indebtedness, to any person or persons who would not be heirs at law of the Unit Owner under the rules of descent of the State of Illinois were he to die within sixty (60) days before the contemplated date of such gift or other transfer, shall give to the Association notice of his intent to make such gift or other transfer not less than sixty (60) days before the contemplated date thereof. Said notice shall state the contemplated date of such gift or other transfer, the intended donee or transferee, and the terms in detail of such proposed other transfer and such other information as the Association may reasonably require. The Association shall have the first right and option to purchase the Unit or interest therein (or to cause it to be purchased by any designee or assignee, corporate or otherwise, of the Association) for cash at fair market value, which shall be determined by arbitration as hereinafter provided in Paragraph 7(d).

(c) In the event that any Unit Owner dies, leaving a will devising his Unit, or any interest therein, to any Person or Persons not heirs at law of the deceased Unit Owner under the rules of descent of the State of Illinois, and the will is admitted to probate, the Association shall have the first right and option to purchase the Unit or interest therein (or to cause it to be purchased by any designee or assignee, corporate or otherwise, of the Association) from the estate of the deceased Unit Owner, or from the devisee or devisees named in such will if no power of sale is conferred by the will on the personal representative named therein, for cash at fair market value, which shall be determined by arbitration as hereinafter provided in Paragraph 7(d).

(d) Within thirty (30) days after the appointment of a personal representative for the estate of the deceased Unit Owner, or the receipt by the Association of the written notice referred to in Paragraph 7(b), as the case may be, the Association, on the one hand, and the owner of the Unit to be purchased, or the devisee or devisees or personal representative, as the case may be, on the other hand, shall each appoint a qualified real estate appraiser to act as an arbitrator and shall give written notice of such appointment to the other party to the arbitration. If either party fails to appoint an arbitrator, the arbitrator appointed by the one party shall act as sole arbitrator. If each party has so appointed an arbitrator, then within ten (10) days after the appointment of the last to be appointed of said arbitrators, the two arbitrators so appointed shall appoint another qualified real estate appraiser to act as the third arbitrator. If the two arbitrators so appointed fail

to agree on a third arbitrator, then such third arbitrator shall be appointed by the American Arbitration Association on the application of either party to the arbitration. Within fifteen (15) days after the appointment of a third arbitrator, the three arbitrators shall determine the fair market value of the Unit or interest therein and shall thereupon give written notice of such determination to the Association and the owner or the devisee or devisees or personal representative, as the case may be. If the three arbitrators fail to agree on a fair market value, then the mean average of the values fixed by the three arbitrators shall be the fair market value. The Association's right to purchase the Unit or interest therein at the price so determined shall expire sixty (60) days after the date of receipt of notice of such fair market value; provided, however, that such first right and option to purchase shall expire seven (7) months after the appointment of a personal representative of a deceased Unit Owner who is not empowered to sell. The Association shall be deemed to have exercised its first right and option if it tenders the required sum of money to the owner, or the devisee or devisees or the personal representative, as the case may be, within the option period.

(e) In the event any Unit or interest therein is sold at a judicial or execution sale (other than a mortgage foreclosure sale), the Person acquiring title through such sale shall, before taking possession of the Unit so sold, give thirty (30) days' written notice to the Association of his intention so to do, whereupon the Association shall have the first right and option to purchase such Unit or interest therein at the same price for which it was sold at the sale. If this first right and option is not exercised by the Association within the thirty (30) days after receipt of such notice, the option shall thereon expire, and the purchaser may thereafter take possession of the Unit. The Association shall be deemed to have exercised its first right and option if it tenders the required sum of money to the purchaser within the thirty (30) day period.

(f) In the event any Unit Owner shall default in the payment of any money required to be paid under the provisions of any mortgage or trust deed against his Unit, the Association shall have the right to cure such default by paying the amount so owing to the party entitled thereto and shall thereon have a lien therefore against such Unit, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of Common Expenses.

(g) In the event a Unit Owner leases a Unit owned by him, a copy of the executed lease and a copy of any sublease or assignment of lease, as and when executed, shall be furnished by such lessor, sub-lessor, or assignor to the Association, and the lessee, sub-lessee, or assignee thereunder shall be bound by and be subject to all of the obligations of the owner with respect to such Unit as provided in this Declaration, and the lease, sublease or assignment shall expressly so provide. The Person making any such lease, sublease, or assignment shall not be relieved thereby from any of his obligations hereunder.

(h) The Association shall not exercise any option set forth above without the prior written consent of sixty-six and two-thirds percent (66-2/3%) of the Unit Owners, which consent must be obtained, if at all, during the period of thirty (30) days following receipt by the Association of the notice described in Paragraphs 7(a), (b) or (e) hereof, or thirty (30) days following appointment of the personal representative as described in Paragraph 7(c) hereof, as applicable. The Association may bid to purchase at any auction or sale of the Unit or interest

therein of any Unit Owner, deceased or living, which sale is held pursuant to any order or direction of a court on the prior written consent of sixty-six and two-thirds percent (66-2/3%) of the Unit Owners, which consent shall set forth a maximum price that the Association is authorized to bid and pay for the Unit or interest therein.

(i) When title to any Unit is held by a trust, the bequest, assignment, sale, conveyance or other transfer by a beneficiary of such trust of his beneficial interest in such trust (other than as security for a bona fide indebtedness) shall be deemed a devise of the Unit owned by the trust.

(j) When title to any Unit is held by a corporation, limited liability company, or partnership, or when a corporation, limited liability company or partnership is beneficiary of a trust in title to a Unit, the transfer or bequest of fifty percent (50%) or more of the issued and outstanding shares of such corporation, or fifty percent (50%) or more of the outstanding membership interests in such limited liability company, or fifty percent (50%) or more of the interest in such partnership, shall be deemed a devise of the Unit owned by the corporation, limited liability company, partnership, or trust.

(k) The terms of this Paragraph 7 and the first right and option herein provided for shall not be applicable to:

(1) the transfer or conveyance, by operation of law or otherwise, of the interest of a co-owner of any Unit, to any other co-owner of the same Unit, or the interest of a co-owner of the beneficial interest in a land trust holding title to a Unit to any other co-owner of such beneficial interest, when such co-owners hold title to such Unit or such beneficial interest as tenants in common or as joint tenants;

(2) the transfer by sale, gift, devise or otherwise of any Unit or interest therein, or beneficial interest of a land trust holding title to a Unit to or for the sole benefit of any spouse, descendant, ancestor or sibling (or the spouse of any such person) of the transferor. This paragraph shall include but not be limited to the transfer to a trust for estate planning purposes;

(3) the execution of a bona fide trust deed, mortgage, or other security instrument;

(4) the sale, conveyance or leasing of a Unit by the holder of a mortgage or trust deed who has acquired title to such Unit by deed in lieu of foreclosure or foreclosure of a mortgage or trust deed on the Property, or any Unit, or by any other remedy set forth in the mortgage or trust deed, provided such holder is a bank, savings and loan association, insurance company or similar institutional mortgagee;

(5) When title to any Unit is held by an individual, corporation, limited liability company, or partnership, or when an individual, corporation, limited liability company or partnership is beneficiary of a trust in title to a Unit, the transfer or conveyance by operation of law or otherwise to an affiliated entity; or

(6) any sale, conveyance, lease or transfer of a Unit by the Developer or Declarant.

(l) Acquisition of Units or interests therein under the provisions of this Paragraph 7 shall be made from the Maintenance Fund. If the Maintenance Fund is insufficient, the Association shall levy a special assessment against each Unit Owner, other than the owner of the Unit that is to be acquired by the Association, in the ratio that his percentage of ownership in the Common Elements bears to the total of such percentages applicable to Units subject to the special assessment, which assessment shall become a lien and may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of Common Expenses. Subject to the provisions of the Act and Bylaws, the Association may borrow money to finance the acquisition of Units or interest therein, which acquisition is authorized by this Paragraph 7; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit or interest therein to be acquired.

(m) Units or interests therein acquired pursuant to the terms of this Paragraph 7, and all proceeds of any sale or leasing thereof, shall be held of record in the name of the Association for the use and benefit of the Unit Owners in the same proportions that the Association could levy a special assessment under the terms of Paragraph 7(l) above. Subject to the provisions of the Act and Bylaws, these Units or interests therein shall be sold or leased by the Association for the benefit of such Unit Owners at such price and on such terms as the Association shall determine.

(n) Upon the written consent of all the members of the Board, any of the rights or options contained in this Paragraph 7 may be released or waived, and the Unit or interest therein that is subject to the right and option of the Association set forth in this Paragraph 7 may be sold, conveyed, given or devised free and clear of the provisions of this Paragraph.

(o) Upon the written request of any prospective transferor, purchaser, tenant or mortgagee of a Unit, the Association, by its Secretary, shall issue a written and acknowledged certificate evidencing:

(1) that the provisions of this Paragraph 7 have been complied with or duly waived by the Association and that the first right and option of the Association has been terminated, if such is the fact; or

(2) that any conveyance, deed or lease is, by the terms hereof, not subject to the provisions of this Paragraph 7, if such is the fact;

and such a certificate shall be conclusive evidence of the facts contained therein.

8. Incorporating the Association.

(a) The Developer, before the first annual meeting of Unit Owners, or the Association thereafter, may cause the formation of an Illinois not-for-profit corporation for the purpose of facilitating the administration and operation of the Property and to act as the Association.

(b) Whether or not the Association is incorporated,

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

(2) the provisions of Exhibit E of this Declaration shall be adopted as the Bylaws of such Association;

(3) the name of such Association shall be Enterprise Office Center Condominium Association, or a similar name.

(c) Until the election of the Initial Board of Managers, the same rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed on the Board by the Act and this Declaration (including without limitation, the rights, powers and privileges to promulgate rules and regulations relating to the Property) shall be held and performed and may be exercised by the Developer, who is hereby authorized to retain a building manager on behalf of the Association.

(d) Within sixty (60) days following the election of the Initial Board of Managers, the Developer shall deliver to the Board:

(1) All original documents as Recorded or filed pertaining to the Property, its administration, and the Association, such as this Declaration, Bylaws, articles of incorporation of the Association, other Condominium Instruments, annual reports, minutes, and rules and regulations, contracts, leases, or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the Developer, or an officer or agent of the Developer, as being a complete copy of the actual document Recorded or filed;

(2) A detailed accounting by the Developer, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance, and operation of the Property, copies of all insurance policies, and a list of any loans or advances to the Association that are outstanding;

(3) Association funds, which shall have been segregated from any other money of the Developer;

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

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

(6) Any contract, lease or other agreement made prior to the election of the Initial Board of Managers by or on behalf of the Association or the Unit Owners.

9. Insurance; Damage and Repairs; Waivers.

(a) The Association shall acquire and pay for, out of the Maintenance Fund herein provided:

(1) Property insurance (i) covering the Common Elements and the Units, including the Limited Common Elements and, except as otherwise determined by the Board, the bare walls, floors, and ceilings of each Unit, (ii) providing coverage for special form causes of loss, and (iii) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements at the time the insurance is purchased and at each renewal date. Any losses under such policies of insurance shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed, in accordance with the provisions of this Declaration and the Act.

The Association may engage the services of any corporation qualified to accept and execute trusts in Illinois to act as trustee or agent on behalf of the Association for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, on such terms as the Association shall determine consistent with the provisions of this Declaration. In the event of any loss resulting from the destruction of the major portion of one or more Units occurring after the election of the Initial Board of Managers, the Association shall engage a corporate trustee as aforesaid on the written demand of the mortgagee or owner of any Unit so destroyed. The fees of such corporate trustee shall be Common Expenses.

Each Unit Owner, other than the Developer, shall notify the Association in writing of any additions, alterations, or improvements to his Unit, and he shall be responsible for any deficiency in any insurance loss recovery resulting from his failure to so notify the Association. The Association shall use its reasonable efforts to obtain insurance on any such additions, alterations, or improvements, if such Unit Owner requests it to do so, and if such Unit Owner shall make arrangements satisfactory to the Association to reimburse it for any additional premiums attributable thereto; and in the absence of insurance on such additions, alterations or improvements, the Association shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing before the making of such additions, alterations, or improvements. All such policies of insurance shall contain standard mortgage clause endorsements in favor of the first mortgagee of each Unit and shall provide that

such policies shall not be terminated, canceled, or substantially modified without at least thirty (30) days prior written notice to the mortgagee of each Unit.

(2) Commercial general liability insurance in such limits as the Board shall deem desirable, provided that such limits shall not be less than One Million Dollars (\$1,000,000.00) per occurrence, for personal injury and/or property damage, insuring the Association, the members of the Board (including members appointed by the Developer), the managing agent, if any, and their respective agents and employees, and all persons acting as agents, from any liability in connection with the Property. Said insurance shall include the Developer as an additional insured in its capacity as Unit Owner, manager, member of the Board, or officer. Such insurance shall also include the Unit Owners as additional insured parties for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements.

(3) Such other forms of insurance as the Association shall elect to obtain, including such Workers' Compensation insurance as may be necessary to comply with applicable laws.

(4) Fiduciary insurance coverage to protect against dishonest acts on the part of all officers, employees or other Persons who either handle or are responsible for funds held or administered by the Association, if such insurance is mandated by law or if the Association shall elect to obtain it. Such insurance coverage shall name the Association as an insured or obligee and shall be in an amount at least equal to the maximum amount of funds that will be in the custody of the Association plus Reserves.

(5) Directors and officers liability coverage at a level deemed reasonable by the Board. Such coverage shall extend to all contracts and other actions taken by the Board members in their official capacity as directors and officers, but such coverage shall exclude actions for which the directors are not entitled to indemnification under the Illinois General Not For Profit Corporation Act of 1986, as amended, or this Declaration or the Bylaws.

(b) Except as otherwise provided in this Declaration, premiums for all insurance obtained or maintained by the Association, and the cost of any appraisal the Association deems advisable in connection with any insurance, shall be Common Expenses.

(c) The Association shall secure insurance policies that will provide for the following:

(1) with respect to the insurance provided for in Paragraph 9(a)(2) above, coverage of cross liability claims of one insured against another; and

(2) a waiver of any rights to subrogation by the insuring company against any named insured or any additional insured party including, without limitation, Unit Owners, the Association, the Board and the Developer, and their respective employees and agents.

(d) The Association may, but shall not be required to, secure policies providing the following:

(1) with respect to the insurance provided for in Paragraph 9(a)(1) above, that the policy cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual Unit Owners;

(2) with respect to the insurance provided for in Paragraph 9(a)(1) above, that the insurer shall not have the option to restore the Property if the Property is sold or removed from the provisions of the Act.

(e) Each Unit Owner shall be responsible for insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner and insurance for his personal liability to the extent not covered by insurance maintained by the Association. Without limiting the foregoing, each Unit Owner shall obtain and maintain, insurance covering his liability for compensatory (but not consequential) damages to Units owned by others, caused by the negligence of the insured Unit Owner or that of his employees, agents, contractors or invitees or, regardless of any negligence, originating from such insured Unit Owner's Unit. Each Unit Owner shall provide the Board with written evidence of such insurance within ten (10) days after receiving the Board's request therefor. If a Unit Owner fails to provide written evidence of such insurance within such ten (10) day period, the Board may, but shall not be obligated to, cause the Association to purchase such insurance coverage and charge the premium cost back to such Unit Owner. Until paid by such Unit Owner, such premium cost shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Any such lien shall be junior and subordinated to the lien of a First Mortgagee with respect to the Unit Owner's Unit. In no event shall the board be liable to any Person either with regard to its decision not to purchase the insurance, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained pursuant to this Paragraph 9(e).

(f) Upon the cancellation of any policy of insurance that the Association is required to obtain hereunder, the Association shall notify each party insured thereunder of such cancellation.

(g) In the event of fire or other disaster, the insurance proceeds, if sufficient to reconstruct the Building, the insured Association and/or Unit Owner(s) shall apply the proceeds to restore the Building to substantially the same condition in which it existed before the fire or other disaster, with each Unit and the Common Elements to have the same vertical and horizontal boundaries as before the fire or other disaster. The insured Association and/or Unit Owner(s) shall complete such restoration within a reasonable time, based on local, commercial construction standards in effect at the time of the disaster.

(h) If, in the event of fire or other disaster, the insurance proceeds are insufficient to restore the Building as set forth in Paragraph 9(g) above, then the following shall apply:

(1) The Board shall call a meeting of Unit Owners to be held not later than the first to occur of:

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

(ii) the expiration of ninety (90) days after the fire or other disaster that caused the damage.

(2) At such meeting, the Board shall present an estimate of the cost of repair or reconstruction, together with an estimate of the part thereof that must be raised by way of special assessment.

(3) The Building shall be restored and the proposed special assessment shall be levied only on the vote of seventy-five percent (75%) of the Unit Owners.

(4) If the Unit Owners do not vote to restore the Building at the meeting provided for in Paragraph 9(h)(1) above, then the Board may, at its discretion, call another meeting or meetings of Unit Owners to reconsider the question. If seventy-five percent (75%) or more of the Unit Owners do not vote to restore the Building within 180 days after the fire or other disaster, then the Board may (but shall not be required to) Record a notice as permitted under the Act.

(5) If the Unit Owners do not vote to restore the Building under the provisions of Paragraph 9(h)(4) above, and the Board does not Record a notice as permitted under the Act, then the Unit Owners may, with the consent of all First Mortgagees, withdraw any portion of the Building so affected by such fire or other disaster from the Act. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit shall be reallocated among the remaining Units on the basis of the relative percentage interest of the remaining Units. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to the Unit shall be reduced accordingly, on the basis of diminution of the market value of the Unit, as determined by the Board. The allocation of any insurance or other proceeds to any withdrawing or remaining Unit Owners shall be on an equitable basis, which need not be a Unit's percentage of interest in the Common Elements. 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 of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use. Upon withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

(i) Each Unit Owner and the Association hereby waive and release any and all claims he or it may have against any other Unit Owner, the Association, members of the Board, the Developer, and their respective employees and agents for damage to the Common Elements, the Units, or any personal property located in the Units or Common Elements caused by fire or other

casualty or any act or omission referred to in the next sentence of this Paragraph 9(i), to the extent that such damage is covered by fire or other form of hazard insurance (or would have been covered had the damaged party obtained and maintained the insurance described in this section 9 as required) . If the act or omission of a Unit Owner, or of an employee, contractor or invitee of a Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required that would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, to the extent such payment is not waived or released under the provisions of this Paragraph 9(i). Any release or waiver referred to in this Paragraph 9(i) shall be valid only if such release or waiver does not affect the right of the insured under the applicable insurance policy to recover thereunder.

10. Separate Real Estate Taxes. It is understood that real estate taxes for the Parcel are to be separately taxed to each Unit Owner for his Unit and its corresponding percentage of ownership of the Common Elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner but are taxed on the Property as a whole, then the Association shall collect from each Unit Owner his proportionate share thereof in accordance with his respective percentage of ownership of the Common Elements, and such taxes levied on the Property as a whole shall be considered a Common Expense.

11. Use and Occupancy of Units and Common Elements. The Units and Common Elements shall be occupied and used, subject to the following:

(a) No part of the Property shall be used for other than the purposes for which the Parcel is zoned, including any variances. In no event shall any part of the Property be used for residential purposes.

(b) That part of the Common Elements separating any two or more adjoining Units used together may be altered to afford ingress and egress to and from such adjoining Units in accordance with the rules and regulations of the Association, and on such conditions as shall reasonably be determined by the Association, provided that a Unit Owner intending to so alter the Common Elements as aforesaid shall notify the Association at least twenty-one (21) days before the commencement of any such alteration.

(c) Because of the Property's commercial nature, the Association intends to allow Unit Owners a reasonably opportunity to market their Units for resale or lease, including the placement of "For Sale" and/or "For Rent" signs in and around the Property as the Board may permit from time to time by rule. Otherwise, no "For Sale" or "For Rent" signs, advertising, or other displays shall be maintained or permitted on any part of the Property except at such location and in such form as shall be determined by the Association. The Developer reserves the right to place, or to cause its agent to place, "For Sale" or "For Rent" signs on any unsold or unoccupied Units and on any part of the Common Elements, and the right is hereby given to any mortgagee who may become the owner of any Unit to place such signs on any Unit owned by such mortgagee. Subject to the limitations of Paragraphs 5(d) and 5(e), the Developer shall be entitled to access, ingress, and egress to and from the Property as the Developer shall deem

necessary in connection with the sale of, or work in, the Building or any Unit. The Developer shall have the right to use any unsold Unit or Units as a model or for sales or display purposes, to relocate the same from time to time, and to maintain on the Property, until the sale of the last Unit, all models, sales offices and advertising signs or banners, if any, and lighting in connection therewith.

(d) There shall be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements without the prior consent of the Association, except as herein expressly provided. Each Unit Owner shall be obligated to maintain and keep his own Unit and the Limited Common Elements appurtenant thereto in good, clean order and repair, except that the Association shall be obligated to maintain and keep in good repair the Limited Common Elements that serve more than one Unit, the costs and expenses of which shall be allocated to such Units pursuant to Article VI, Section 1 of the Bylaws. The use and the covering of interior surfaces of windows, whether by draperies, shades, or other items visible on the exterior of the Building, shall be subject to the rules and regulations of the Association.

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

(f) Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building, and no sign, awning, canopy, shutter, or radio, or television, or other antenna (except as installed as of the date this Declaration is Recorded or except as thereafter installed by the Developer or the Association) shall be affixed to or placed on the exterior walls or roof or any part thereof or on the Common Elements without the prior written consent of the Association. No heating or air conditioning unit of whatever type, other than those installed as of the date this Declaration is Recorded, or those thereafter installed by the Developer or the Association, may be installed without the prior written consent of the Association.

(g) No animals, pets, livestock, fowl or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Elements.

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

(i) Except as constructed or altered by or with the permission of the Developer or the Association, nothing shall be done in any Unit or in, on, or to the Common Elements that would impair the structural integrity, safety or soundness of the Building, or that would structurally change the Building.

(j) No clothing or other articles of any kind shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials. The Association may keep and maintain one or more garbage dumpsters for use by all Unit Owners in the Common Elements, provided that such dumpsters shall be concealed in a clean and sightly fashion by fencing, landscaping or by other means determined by the Association. Unit Owners shall comply with all statutes, ordinances, rules and regulations (including specifically those relating to the disposal of hazardous substances and medical waste) applicable to the garbage and waste generated by the activities conducted within their Units.

(k) No benches, chairs or other items of personal property shall be permitted on any part of the Common Elements without the prior consent of, and subject to any rules and regulations of the Association.

(l) Nothing shall be altered or constructed in or removed from the Common Elements except by or with the permission of the Developer at any time before the election of the Initial Board of Managers or thereafter without the written consent of the Association.

(m) No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such a manner as to cause, in the judgment of the Association, an unreasonable disturbance to others. No Unit Owner shall connect any machine, appliance, accessory or equipment to the heating system or plumbing system without the prior written consent of the Association.

(n) Each Unit Owner shall deposit with the Board, duplicate keys for all locks required for entry to his Unit, as well as security codes for all alarm systems relating to entry to his Unit. The Board will access a Unit, if at all, in compliance with all applicable laws, statutes, ordinances and regulations that may apply.

(o) No additions, alterations or improvements shall be made by a Unit Owner to any part of the Common Elements (including the Limited Common Elements) and no additions, alterations, or improvements shall be made by a Unit Owner to his Unit, where such work alters the wall or partition, configuration, ceiling, perimeter doors or windows, or floor load or otherwise affects the structure of the Unit or the structural integrity or systems of the Building, or increases the cost of insurance required to be carried by the Board hereunder, without prior written consent of the Board, and then only in accordance with rules and regulations adopted by the Board. Any addition, alteration or improvement of a Unit by the Unit Owner that shall affect the structure of the Unit or the Common Elements or shall affect the structural integrity of the Building shall, further, conform with all documentation prepared or reviewed and approved by an architectural or engineering firm selected by the Association. The cost of such drawings or review and approval shall be paid by the Unit Owner. The Board may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement by a Unit Owner on the Unit Owner's agreement either (1) to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board may from time to time set, or (2) to pay to the Association from time to time the additional costs of maintenance or insurance as a result of the addition, alteration or improvement. If an addition, alteration, or

improvement is made by a Unit Owner without the prior written consent of the Board, then the Board may, in its discretion, take any of the following actions, which actions shall not be exclusive of the remedies available to the Board under Paragraph 12 hereof:

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

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

(3) Ratify the action taken by the Unit Owner, and the Board may (but shall not be obligated to) condition such ratification on the same conditions that it may impose on the giving of its prior consent under this subparagraph.

12. Violation of Declaration.

(a) The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or in the Bylaws contained shall, in addition to any other rights provided for in this Declaration or the Bylaws, give the Association the right (a) to enter on the Unit or any portion of the Property on which, or as to which, such violation or breach exists, and summarily to 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 neither the Association, nor the officers, employees or agents thereof, shall 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.

(b) Except in cases of emergency when damage to persons or property is threatened, the Association shall not take any action provided in Paragraph 12(a) above, unless (1) it has first given the Unit Owner alleged to have violated any restriction, condition or regulation adopted by the Association, or to be in breach of any covenant or provision herein or in the Bylaws contained, a hearing on such allegations pursuant to rules and regulations adopted by the Association; (2) the Association shall have determined such allegations to be true; and (3) the Unit Owner shall not have desisted from such violation or breach or shall not have taken such steps as shall be necessary to correct such violation or breach within such reasonable period of time as determined by the Association and communicated to the Unit Owner. Any and all costs and expenses incurred by the Association in the exercise of its authority, as granted in this Paragraph 12, including but not limited to court costs, reasonable attorneys' fees as determined by a court of competent jurisdiction, and cost of labor and materials, shall be paid by the Unit Owner in violation and, until paid by such Unit Owner, shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the Common

Expenses. Any such lien shall be junior and subordinated to the lien of a First Mortgagee with respect to such Unit.

(c) In addition to the foregoing, if, after hearing and finding as aforesaid, the Unit Owner fails to desist from such violation or to take such corrective action as may be required, the Association shall have the power to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate the rights of the defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his Unit and the Common Elements appurtenant thereto, and thereupon an action in equity may be filed by the Association against the defaulting Unit Owner for an order declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him and the Common Elements appurtenant thereto, on account of the violation of a rule or breach of covenant or provision as aforesaid, and ordering that all the right, title and interest of the Unit Owner in the Property shall be sold at a judicial sale on such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting Unit Owner from reacquiring his interest at such judicial sale or by virtue of the exercise of any right of redemption that may be established, and except that the court shall direct that any mortgage of a First Mortgagee be retired out of the proceeds of such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in the order. Any balance of proceeds after satisfaction of such charges, and any unpaid assessments hereunder, or any liens in favor of a First Mortgagee, shall be paid to the Unit Owner. Upon the confirmation of such sale, the purchaser there at shall thereupon be entitled to a deed to the Unit and, subject to the first right and option of the Association as provided in Paragraph 7(e) above, to immediate possession of the Unit sold and may apply to the court for an order of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the order shall so provide, that the purchaser shall take the interest in the Property sold subject to this Declaration.

(d) Any Unit Owner in default hereunder or under the provisions of the Bylaws or any rule or regulation adopted by the Association shall pay to the Association, as an agreed Common Expense with respect to his Unit, all attorneys' fees incurred by the Association in enforcing the provisions of the Bylaws, this Declaration, or the rules and regulations of the Association as to which the Unit Owner is in default and in addition all sums allowed under the Declaration, Bylaws or rules and regulations adopted by the Association which are not otherwise restricted by law. Until such fees are paid by the Unit Owner, the amount thereof shall constitute a lien on the interest of the Unit Owner in the Property, which lien maybe perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses. Any such lien shall be junior and subordinate to the lien of a First Mortgagee with respect to such Unit.

13. Grantees. Each grantee of the Developer, or a subsequent Unit Owner, each purchaser under Articles of Agreement for Deed, and each tenant under a lease accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, the Bylaws, the rules and regulations of the Association, and jurisdiction, rights, and powers created or reserved by this Declaration and the provisions of the Act, as at any time amended, and all easements, rights, benefits and privileges of every character hereby granted, created, reserved or declared,

and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any Person having at any time any interest or estate in said land, and shall inure to the benefit of each grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

14. Failure to Enforce. No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce them, no matter how many violations or breaches may occur.

15. Notices; Waiver of Notice. Whenever any notice is required to be given under the provisions of this Declaration or the Bylaws, a waiver thereof in writing by the Person or Persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of such notice, provided such waiver or the time of giving it is not contrary to the provisions of the Act. Notices required to be given to any devisee or personal representative of a deceased Unit Owner shall be delivered by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased owner is being administered.

16. Amendments. Except as hereinafter otherwise provided, the provisions of Paragraphs 1, 2, 3, 4, 5, 6 13, 21, 22 and this Paragraph 16 of this Declaration may be amended, changed or modified by an instrument in writing, setting forth such amendment, change or modification, signed and acknowledged by an authorized member of the Board, all of the Unit Owners, and each mortgagee having a bona fide lien of record against any Unit. Except as herein otherwise provided, other provisions of this Declaration may be amended, changed, or modified on a vote of a majority of the Board voting, and at least sixty-six and two-thirds percent (66 2/3%) of the Unit Owners, by an instrument in writing setting forth such amendment, change, or modification, signed and acknowledged by an authorized officer of the Board and containing an affidavit by an officer of the Association certifying that (a) at least sixty-six and two-thirds percent (66 2/3%) of the Unit Owners have approved such amendment, change, or modification and (b) a copy of the amendment, change or modification has been mailed by certified mail to all mortgagees having bona fide liens of Record against any Unit, not less than ten (10) days before the date of such affidavit. The approval of eligible First Mortgagees (i.e., First Mortgagees who have requested that the Association notify them of amendments affecting the matters described in (a) through and including (n) below) of fifty-one percent (51%) of Units that are subject to a mortgage or trust deed shall be required to amend materially any provisions of the Declaration or Bylaws or to add any material provisions thereto that establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens or subordination of such liens;
- (c) Reduction of Reserves for maintenance, repair and replacement of the Common Elements;
- (d) Insurance or fidelity bonds;

- (e) Rights to use of the Common Elements;
- (f) Responsibility for maintenance and repair of the Common Elements;
- (g) The addition, annexation or withdrawal of property to or from the Association;
- (h) Boundaries of any Unit;
- (i) Interests in the Common Elements or Limited Common Elements;
- (j) Convertibility of Units into Common Elements or of Common Elements into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit;
- (m) Hazard or fidelity insurance requirements; or
- (n) Any provisions that expressly benefit mortgage holders, insurers or guarantors.

Any amendment, change or modification shall conform to the provisions of the Act and shall be effective on recordation thereof. No change, modification or amendment that affects the rights, privileges, or obligations of the Developer shall be effective without the prior written consent of the Developer. The Bylaws may be amended in accordance with the provisions of Article XI thereof.

17. Condemnation. In the event of a taking or condemnation by competent authority of any part of the Property, the Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed before the taking or condemnation. In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Act, and the percentage of ownership interest in the Common Elements allocated to such Unit or portion thereof (as determined by the Board on the basis of diminution in the market value of the Unit) shall be reallocated among the remaining Units on the basis of the relative percentage of ownership interests in the Common Elements of the remaining Units. In such cases, this Declaration and the Plat shall be amended accordingly, pursuant to the provisions of the Act. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Unit Owners shall be on an equitable basis, which need not be a Unit's percentage of interest in the Common Elements. 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 of interest in the Common Elements. Any such proceeds available from the

withdrawal of Limited Common elements shall be distributed in accordance with the interests of those entitled to their use. Upon the withdrawal of any unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

18. Violations of Certain Rules. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of Barak H. Obama , the now incumbent President of the United States.

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

20. Construction. The provisions of this Declaration shall be liberally construed to effect its purpose of creating a uniform plan for the development and operation of a first-class condominium development.

21. Modifications by the Developer. Until the election of the Initial Board of Managers, the Developer, or its successors or assigns, shall have the right to modify the Condominium Instruments, which modification shall be effective on the recording thereof, provided further that such right shall be exercised only (a) to bring the Declaration into compliance with the Act or (b) to correct clerical or typographical errors in the Declaration. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make any change or modification as authorized hereunder on behalf of each Unit Owner as attorney in fact for such Unit Owner. Each deed, mortgage, trust deed, or other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of the power to the Developer as aforesaid.

22. Rights of First Mortgagees. Any mortgage or trust deed owned or held by a First Mortgagee and Recorded before the Recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his share of the monthly assessment when due shall be superior to the lien of such unpaid Common Expenses set forth in the notice and to all assessments for Common Expenses that become due and are unpaid subsequent to the date of Recording of such first mortgage or first trust deed. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the mortgage or trust deed, foreclosure of the mortgage or trust deed, or deed (or assignment) in lieu of foreclosure, shall not be liable for and shall take the Unit and its proportionate interest in the Common Elements free from claims for unpaid common or special assessments levied by the Association that accrue before the date of possession as aforesaid, subject to Illinois law.

(a) A First Mortgagee, or an insurer or guarantor of the note held by a First Mortgagee, on written request to the Association (such request to state the name and address of such First Mortgagee, insurer, or guarantor and identification of the Unit encumbered by the mortgage held by such First Mortgagee), shall be entitled to timely written notice of:

(1) Any proposed action that requires the consent of a specified percentage of eligible First Mortgagees;

(2) Any proposed termination of the condominium project;

(3) Any condemnation loss or any casualty loss that exceeds Ten Thousand Dollars (\$10,000.00) and affects a portion of the Common Elements, or that exceeds One Thousand Dollars (\$1,000.00) and affects any Unit on which there is a first mortgage held, insured, or guaranteed by such eligible holder;

(4) Any delinquency in the payment of assessments or charges owed by an owner of a Unit subject to the mortgage of a First Mortgagee, insurer or guarantor, when such delinquency has continued for a period of sixty (60) days; and

(5) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(b) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications for the Building unless the approval is obtained from at least sixty-seven percent (67%) of the Unit Owners and the eligible First Mortgagees of Units that represent at least fifty-one percent (51%) of the Units subject to mortgages or trust deeds held by eligible First Mortgagees.

(c) Any election to terminate the condominium project after substantial destruction or substantial taking by condemnation of the Property shall require the approval of at least sixty-seven percent (67%) of the Unit Owners and the eligible First Mortgagees of Units that represent at least fifty-one percent (51%) of the Units subject to mortgages or trust deeds held by eligible First Mortgagees.

(d) Any election to terminate the condominium project for reasons other than substantial destruction or condemnation of the Property shall require the approval of at least sixty-seven percent (67%) of the Unit Owners and the eligible First Mortgagees of Units that represent at least sixty-seven percent (67%) of Units subject to a mortgage or trust deed held by an eligible First Mortgagee.

23. Trustees in Title to Units. In the event that title to any Unit should be conveyed to a land trust under which all powers of management, operation and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust and the beneficiaries thereunder from time to time shall be liable for payment of any obligation, lien or indebtedness chargeable or created under this Declaration against such Unit. No claim shall be

made against any such title holding trustee personally for payment of any claim, lien or obligation hereby created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount thereof shall continue to be a charge or lien on the premises notwithstanding any transfer of beneficial interest or the title of such real estate.

[signature page follows]

IN WITNESS WHEREOF, the Declarant has caused this Instrument to be executed on its behalf by its duly authorized Managing Member, on the day and year first above written.

ENTERPRISE OFFICE CENTER, L.L.C.,
an Illinois limited liability company

By: H.P. Enterprises, L.L.C., an Illinois limited liability company, its Manager

By: _____

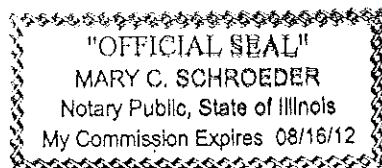
Michael J. Rolfs, Manager

State of Illinois)
)
County of Cook)

I, the undersigned Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Michael J. Rolfs, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such authorized Managing Member of H.P. Enterprises, LLC, an Illinois limited liability company, the Managing Member of Enterprise Office Center L.L.C., an Illinois limited liability company, he signed and delivered the said instrument, pursuant to authority given by the Operating Agreement of said limited liability company, as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and official seal,
this 5th day of May, 2009

Mary C. Schroeder
Notary Public



CONSENT OF MORTGAGE HOLDER

Union National Bank, a National Banking corporation, holder of a Mortgage on the Parcel dated November 26, 2008, and recorded January 13, 2009, as document 0901333184, hereby consents to the execution and recording of the within Declaration of Condominium and agrees that said Mortgage is subject thereto and to the provisions of the Condominium Property Act of the State of Illinois.

IN WITNESS WHEREOF, Union National Bank has caused this Consent of Mortgage Holder to be signed by its duly authorized officers on its behalf; all done at 101 E. Chicago Street, Elgin, Illinois, on this 19th day of May, 2009.

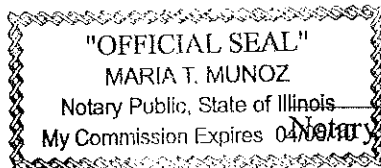
By: [Signature]
Rick M. Zonts, Asst. Vice President

Attest: [Signature]
Its: JAY D. DEIHS Senior Vice President

STATE OF IL)
)ss.
COUNTY OF Kane)

I, Maria T. Munoz, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Jay D. Deihs and Rick M. Zonts [names], the Senior Vice President and Asst. Vice President [titles], respectively, of Union National Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered said instrument as their own free and voluntary act and as the free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal the 19 day of May, 2009



[Signature]
My commission expires: 4/5/2010

EXHIBIT A
LEGAL DESCRIPTION OF PARCEL

LOT 1 IN ENTERPRISE OFFICE SUBDIVISION, BEING A SUBDIVISION IN THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 17, 1985 AS DOCUMENT #85188844 IN COOK COUNTY, IL.

PIN: 03-07-100-013-0000

Commonly known as: 3105 - 3135 North Frontage Road (a/k/a 3115 Wilke Road) Arlington Heights, IL 60004

EXHIBIT B
LEGAL DESCRIPTION OF UNITS

UNITS 1, 2, 3 AND 4 IN BUILDING #3105; UNITS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 AND 11 IN BUILDING #3115; UNITS 1, 2, 3, 4, 5, 6 AND 7 IN BUILDING #3125; AND UNITS 1 AND 2 IN BUILDING #3135 IN ENTERPRISE OFFICE CENTER CONDOMINIUMS, AS DELINEATED ON A PLAT OF SURVEY OF THE FOLLOWING DESCRIBED TRACT OF LAND: LOT 1 IN ENTERPRISE OFFICE SUBDIVISION, BEING A SUBDIVISION IN THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. WHICH PLAT OF SURVEY IS ATTACHED AS EXHIBIT "D" TO THE DECLARATION OF CONDOMINIUM RECORDED _____, 2009, AS DOCUMENT NUMBER _____, AS AMENDED FROM TIME TO TIME; TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

EXHIBIT C

UNIT OWNERS' PERCENTAGE INTERESTS IN THE COMMON ELEMENTS AND ALLOCATION OF RESERVED PARKING SPACES

<u>BLDG</u>	<u>UNIT</u>	<u>PERCENTAGE IN COMMON ELEMENTS</u>	<u>RESERVED PARKING SPACES ALLOCATED</u>	
3105*	1	21.22%	Space #s 39,149-201, 220-248 & 14-17 (2 handicap)	(total 85)
	2	1.95%	Space #s 1-4,9-11 & 12-13 (1 handicap)	(total 8)
	3	5.03%	Space #s 20-38 & 18-19 (1 handicap)	(total 20)
	4	9.61%	Space #s 124-148 & 5-8 (2 handicap)	(total 27)
3115	1	6.30%		
	2	3.17%		
	3	3.04%		
	4	2.89%		
	5	1.85%		
	6	1.18%		
	7	2.49%		
	8	2.47%		
	9	4.98%	Space #s 88, 89, 301, & 302	(total 4)
	10	1.29%		
	11	1.53%		
3125	1	0.76%		
	2	0.76%		
	3	1.51%		
	4	3.08%		
	5	1.56%		
	6	2.32%		
	7	2.25%		
3135	1	8.34%		
	2	<u>10.42%</u>		
TOTAL		100.00%		

Total Reserved Spaces (including Handicap) = 144

Total Unreserved Spaces (including Handicap) = 163

EXHIBIT D
PLAT OF CONDOMINIUM



EXHIBIT E

BYLAWS
OF
ENTERPRISE OFFICE CENTER CONDOMINIUM ASSOCIATION

A large, dense, black scribble or signature mark, possibly representing a signature or a redacted area, located in the lower-left quadrant of the page.

BYLAWS
OF
ENTERPRISE OFFICE CENTER CONDOMINIUMS

ARTICLE I
General Provisions

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

ARTICLE II
Members

Section 1. Classes of Members, Membership and Termination Thereof. The Association shall have one class of members. The designation of such class and the qualifications of the members of such class shall be as follows:

Each Unit Owner shall be a member of the Association, which membership shall terminate upon the sale or other disposition of such member's Unit, at which time the new Unit Owner shall automatically become a member of the Association. Such termination shall not relieve or release any such former Unit Owner from any liability or obligation incurred under or in any way connected with the Unit or the Association during the period of such ownership and membership in the Association. Furthermore, such termination shall not impair any rights or remedies that the Board or others may have against a former Unit Owner arising from, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto. No certificates of stock or other certificates evidencing membership shall be issued by the Association.

Section 2. Votes and Voting Rights.

(a) Until the date of the first annual meeting of the members, as provided in Article III, Section 1, hereof, no member of the Association shall have the right to elect the members of

the Board. All such members of the Board of Managers shall be appointed and shall hold office as provided in Article IV, Section 2, of these Bylaws.

(b) Commencing with the date of the first annual meeting of the members, the total number of votes of all members shall be 100. Each member shall be entitled to the number of votes equal to his percentage ownership interest in the Common Elements times 100 at the time any matter is submitted to a vote of the members.

(c) If a Unit is owned by more than one person, the voting rights with respect to such Unit shall not be divided, but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. Any proxy must be executed in writing by the Unit Owner, or his duly authorized attorney in fact, must bear the date of execution, and shall become invalid eleven (11) months from the date of its execution. If only one of the persons constituting such Unit Owner is present, he shall be entitled to cast the votes allocated to the Unit. If more than one of the persons constituting such Unit Owner are present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of such persons. Agreement by a majority in interest of such persons shall be deemed to exist if any of the persons casts the votes allocated to such Unit without protest being made promptly to the person presiding over the meeting by any other persons constituting the Unit Owner.

(d) Any specified percentage of the members, whether majority or otherwise, for purposes of voting or for any other purpose, wherever provided in these Bylaws, shall mean such percentage of the total number of votes hereinabove set forth. Such percentage shall be computed in the same manner as is a specified percentage of the Unit Owners of the Condominium as provided in the Declaration, provided, however, that when 30% or fewer of the Units, by number, possess over 50% in the aggregate of the votes as provided herein, any percentage vote of the members specified herein or in the Declaration shall require the specified percentage by number of Units rather than by percentage of interest in the Common Elements allocated to Units that would otherwise be applicable.

Section 3. Transfer of Membership. Membership in this Association is not transferable or assignable, except as provided in Article II, Section 1, hereof.

Section 4. Installment Contracts. Anything herein to the contrary notwithstanding, in the event of a sale of a Unit, the purchaser of such Unit pursuant to an installment contract for purchase from a seller other than the Declarant shall, during such times as he occupies the Unit, be counted toward a quorum for purposes of election of members of the Board at any meeting of the Unit Owners called for the purpose of electing members of the Board and have the right to vote for the election of members of the Board and to be elected to and serve on the Board, unless the seller expressly retains in writing any or all of such rights. In no event may both the seller and purchaser be counted toward a quorum, be permitted to vote for a particular office or be elected to serve on the Board. Satisfactory evidence of the existence and terms of the installment contract as they relate to the subject matter of this Section shall be made available to the

Association or its agents. "Installment Contract" shall mean any contract or agreement, including contracts for deeds, bonds for deeds or any other sale or legal device, whereby a contract seller agrees to sell, and a buyer agrees to buy, one or more Units, wherein the consideration for such sale is payable in installments for a period of at least one year after the buyer takes possession of the Unit or Units and the contract seller continues to have an interest, or security for the purchase price or otherwise in such Unit or Units.

ARTICLE III Meetings of Members

Section 1. Annual Meeting. The first annual meeting of the members shall be held on such date as is fixed by the Declarant, which date shall in no event be later than the earliest of (a) three years from the date the Declaration is recorded in the Office of the Recorder of Deeds of Cook County, Illinois, (b) sixty (60) days from the date when at least 75% of the Units have been conveyed by the Declarant, or (c) such earlier time as selected by the Declarant. Thereafter, an annual meeting of the members for the purpose of electing Board members and for the transaction of such other business as may come before the meeting shall be held in the month of December each year; provided, however that no such meeting need be held less than one year after the first annual meeting of the members. If the election of members of the Board shall not be held when designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members called as soon thereafter as it conveniently may be held. In the event the Declarant fails to call the first annual meeting of members by the latest date set forth above, 20% of the members may call the first annual meeting by filing a petition to such effect with the Declarant, setting forth a date for such meeting. After the filing of such petition, the members filing the petition may send notice of the first annual meeting of members as provided herein and may hold such meeting pursuant to notice. The Board may disseminate to the members biographical and background information about candidates for election to the Board if reasonable efforts are made to identify all candidates and all candidates are given an opportunity to include biographical information and background material in the information to be disseminated and the Board does not express a preference in favor of any candidate. A Unit Owner shall be entitled to receive from the Board or the Declarant acting as the Board as provided herein and in the Act, within three working days after the request therefor, the names, addresses, and weighted vote of each Unit Owner entitled to vote at the next annual meeting of members.

Section 2. Special Meetings. Special meetings of the members may be called by the Board, the President, or not less than 20% of the members. All matters to be considered at special meetings of the members called by not less than 20% of the members shall first be submitted in writing to the Board not less than ten (10) days before the date of the special meeting of the members called to consider such matters.

Section 3. Place and Time of Meeting. All meetings of the members shall take place at 7:00 p.m., in some section of the Property designated by the person or persons calling the

meeting, or at such other reasonable place or time designated by the Board or the person or persons calling the meeting.

Section 4. Notice of Meetings. Written or printed notice stating the purpose, place, day and hour of any meeting of members shall be mailed or delivered to each member entitled to vote at such meeting, not less than ten (10), nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary, or the officer or persons calling the meeting, provided that notice of the first annual meeting of the members shall be given to the members not less than twenty-one (21) nor more than thirty (30) days before the date of such meeting. The notice of a meeting shall be deemed mailed when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with proper postage thereon prepaid.

Section 5. Quorum. The members present at a meeting in person or by proxy holding 20% of the votes that may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at the commencement of any meeting of members, the meeting shall be adjourned and may be called again only in accordance with the provisions of these Bylaws.

Section 6. Proxies.

(a) Except as otherwise provided subsection (b) of this Section 6 in connection with the election of Board members, at any meeting of members, a member entitled to vote may vote either in person or by proxy, executed in writing by the member or by his duly authorized attorney in fact. Every proxy must bear its date of execution and shall be invalid after 11 months from the date of its execution. Any proxy distributed by the Board for election of members of the Board shall give Unit Owners the opportunity to designate any person as the proxy holder and shall give the Unit Owner the opportunity to express a preference for any of the known candidates for the Board or to write in a name.

(b) Pursuant to any rule adopted by the Board not less than one hundred (120) days before an election of Board members, Unit Owners may not vote by proxy in such election of Board members but shall vote only (1) by submitting an Association-issued ballot in person at the election meeting, or (2) by submitting an Association-issued ballot to the Association or its designated agent by mail or other means of delivery specified in the Declaration, these Bylaws, or by such rule. Ballots to be used for the purposes specified in this Subsection 6(b) shall be mailed or otherwise distributed to Unit Owners not less than ten (10) nor more than thirty (30) days before the election meeting, and the Board shall give Unit Owners not less than twenty-one (21) days' prior written notice of the deadline for inclusion of a candidate's name on the ballots, which deadline shall be not more than seven (7) days before the ballots are mailed or otherwise distributed to Unit Owners. Every ballot shall include the names of all candidates who have given the Board or its authorized agent timely written notice of their candidacy and shall give the person casting the ballot the opportunity to cast votes for candidates whose names do not appear on the ballot. No ballot received by the Association or its designated agent after the close of voting shall be counted. Any Unit Owner who submits a ballot by mail or other means of

delivery specified in the Declaration, these Bylaws or a rule adopted by the Board may request and cast a ballot in person at the election meeting, and thereby void any ballot previously submitted by that Unit Owner.

(c) If a written petition by members with at least 20% of the votes of the Association is delivered to the Board within fourteen (14) days after the Board's approval of a rule adopted pursuant to Subparagraph 6(b) above, the Board shall call a meeting of the members within 30 days after the date of delivery of the petition. Unless a majority of the total votes of members are cast at the meeting to reject the rule, the rule shall be ratified.

Section 7. Manner of Acting. Except as set forth herein, and except as otherwise required by the Declaration or the Act, any action to be taken at any meeting of the members at which a quorum is present shall be on the affirmative vote of more than 50% of the members represented at such meeting. The following matters shall require the affirmative vote of 67% or more of all Unit Owners at a meeting duly called for the purposes:

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

ARTICLE IV Board of Managers

Section 1. In General. The affairs of the Association shall be managed by the Board, which shall act as the Board of Managers of the Condominium as provided in the Act and the Declaration.

Section 2. Number, Tenure and Qualifications. The number of members of the Board shall initially be three (3). Until the date of the first annual meeting of the members as hereinabove provided, members of the Board shall be the directors named in the Articles of Incorporation of the Association if the Association is incorporated; otherwise, the members of the Board shall be as appointed by the Declarant. Such members of the Board shall hold office until the first annual meeting of the members. Commencing with the date of the first annual meeting of the members, the number of members of the Board shall be increased to five (5), and members of the Board shall be elected solely by, from and among, the members of the Association for a term of one (1) year and until their respective successors shall have been elected and qualified. All members of the Board shall be elected at large. Each member of the Board shall hold office without compensation. In the event that a member of the Association is a corporation, limited liability company, partnership, trust, or other legal entity other than a natural person or persons, then any shareholder, officer, or director of such corporation, member or manager of such limited liability company, partner of such partnership, beneficiary or individual

trustee of such trust, or manager of such other legal entity may be eligible to serve as a member of the Board. If there are multiple owners of a single Unit, only one of the multiple owners shall be eligible to serve as a member of the Board at any one time. A member of the Board may succeed himself in office.

Section 3. Election. At each annual meeting of the members, the members shall be entitled to vote on a cumulative basis, and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. A candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of the ballots at such election. The Board may disseminate to Unit Owners biographical information about candidates for election to the Board if (a) no preference is expressed in favor of any candidate and (b) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated.

Section 4. Regular Meetings. A regular annual meeting of the Board shall be held immediately after and at the same place as the annual meeting of members. The Board shall, by regulations that the Board may from time to time adopt, provide the time and place for the holding of additional regular meetings of the Board, provided that the Board shall meet at least four (4) times per year.

Section 5. Special Meetings. Special meetings of the Board may be called by or at the request of the President or 25% of the members of the Board. The person or persons permitted to call special meetings of the Board may fix the time and place for holding any special meeting of the Board called by them.

Section 6. Notice. Written notice of any special meeting of the Board shall be mailed or delivered to all members of the Association and all members of the Board not calling the meeting at least 48 hours prior to the date of such special meeting. Written notice of regular meetings of the Board shall be mailed or delivered to all members of the Association at least 48 hours prior to the date of such meeting. All such notices shall be deemed to be mailed when deposited in the United States mail addressed to each member at his address as it appears on the records of the Association, with proper postage thereon paid. The business to be transacted at, or the purpose of any regular or special meeting of the Board, shall be specified in the notice. Notices of a regular meeting of the Board need not be served on members of the Board. However, copies of said notices of meetings of the Board shall be posted in entranceways or other conspicuous places in the condominium designated by the Board at least 48 hours prior to the meeting.

Section 7. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the members of the Board are present at the commencement of the meeting, the meeting shall be adjourned and may be called again only in accordance with the provisions of these Bylaws.

Section 8. Manner of Acting. The act of a majority of the members of the Board present at the meeting at which a quorum is present at the commencement of the meeting shall be the act of the Board, except when otherwise provided by law or in the Condominium Instruments.

Section 9. Vacancies. Any vacancy occurring in the Board by reason of death, removal or resignation of a member of the Board shall be filled by a two-thirds vote of the remaining members of the Board. A member elected by the Board to fill a vacancy shall serve until the next annual meeting of the members of the Association; provided that if a petition is filed with the Board signed by members of the Association holding 20% of the votes in the Association requesting a meeting of the members to fill the vacancy for the balance of the unexpired term of his predecessor, the term of the member so elected by the Board shall terminate 30 days after the filing of the petition and a meeting of the members for the purpose of filling such vacancy for such unexpired term shall be called no later than 30 days following the filing of such petition. Members of the Board, including those appointed by the Declarant, may resign at any time by written resignation delivered or mailed to any officer of the Association, which resignation shall be effective on receipt of said resignation. If, as the result of the death, removal or resignation of a member of the Board, no member of the Board remains in office, a special meeting of members of the Association shall be called to fill all vacancies for the unexpired terms of the members of the Board.

Section 10. Removal. From and after the date of the first annual meeting of the members, any member of the Board may be removed from office by the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of all the members of the Association, at a special meeting called for such purpose.

Section 11. Adoption of Rules and Regulations. All rules and regulations, or amendments thereto, shall be adopted by the Board after a meeting of the members called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations, which rules and regulations conform to the requirements of the Act and the Declaration and these By-laws. No quorum is required at such meeting of the members. No rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution, nor may any rules or regulations conflict with the provisions of the Act or the Condominium Instruments. Such rules and regulations shall be effective sixty (60) days after their adoption, provided that the members may veto any rule or regulation at a special meeting of the members called for such purpose and held before the effective date of the rule or regulation, by a vote of at least 66 2/3% of all the members of the Association.

Section 12. Open Meetings. All meetings of the Board, whether regular or special, shall be open to the members of the Association, except for meetings:

(a) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probable or imminent;

(b) to consider information regarding appointment, employment or dismissal of an employee; or

(c) to discuss violations of rules and regulations of the Association, or a Member's unpaid share of Common Expenses.

Any vote on the above matters shall be taken at a meeting, or portion thereof, open to any member. Any member may record the proceedings at meetings required to be open by the Act or these Bylaws by tape, film or other means, subject to reasonable rules and regulations prescribed by the Board to govern the right to make such recordings.

Section 13. Contracts. The Board may not enter into a contract with a current Board member or with a corporation, limited liability company or partnership in which a Board member or a Board member's immediate family has a twenty-five percent (25%) or more interest unless notice of intent to enter the contract is given to Unit Owners within twenty (20) days after a decision is made to enter into the contract and the Unit Owners are afforded an opportunity by filing a petition, signed by twenty percent (20%) of the Unit Owners, for an election to approve or disapprove the contract. Such petition shall be filed within twenty (20) days after such notice, and such election shall be held within thirty (30) days after filing the petition. For purposes of this Section 13, a Board member's immediate family means the Board member's spouse, parents and children.

Section 14. Powers and Duties. The powers and duties of the Board shall include, but not be limited to, the operation, care, upkeep, maintenance, replacement and improvement of the Common Elements. However, nothing in the foregoing sentence shall be deemed to invalidate any provision in the Condominium Instruments placing limits on expenditures for capital additions or capital improvements to the Common Elements (other than for purposes of repairing, replacing, or restoring portions of the Common Elements) by the Board without the prior approval of the Unit Owners.

Section 15. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any question of interpretation or application of the provisions of the Declaration, the rules and regulations or the Bylaws, the determination thereof by the Board shall, absent manifest error, be final and binding on each and all of such Unit Owners.

ARTICLE V

Officers

Section 1. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board), a Treasurer and a Secretary.

Section 2. Election and Term of Office. The officers of the Association shall be elected annually by the Board at the regular annual meeting of the Board, from and among the members of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified. An officer may succeed himself in office. Officers shall serve without compensation.

Section 3. Removal. Any officer elected by the Board may be removed by a majority vote of the members of the Board.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term of the member of the Board no longer serving.

Section 5. President. The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the members of the Board. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, contracts, or other instruments which the Board has authorized to be executed and any amendment to the Declaration or Plat as provided in the Act, and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 6. Vice President. In the absence of the President, or in the event of the President's inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents, in order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of, and be subject to, all the restrictions on the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or the Board.

Section 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for money due and payable to the Association from any source whatsoever, and deposit all such money in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; receive all notices on behalf of the Association and, together with the President, execute on behalf of the Association amendments to the Condominium Instruments and other documents as required or

permitted by the Declaration, these Bylaws or the Act; be custodian of the records and, if incorporated, of the seal of the Association and, if the Association is incorporated, see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-laws; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.

ARTICLE VI Powers and Duties of the Association and Board

Section 1. General Duties, Powers, Authority of the Board. The Board shall exercise for the Association all powers, duties and authority vested in the Association by the Act and the Condominium Instruments, including, but not limited to, the following:

(a) Operation, care, upkeep, maintenance, replacement, and improvement of the Common Elements to the extent the operation, care, upkeep, maintenance, replacement and improvement of Limited Common Elements is not imposed on Unit Owners hereunder;

(b) Preparation, adoption and distribution of the Annual Budget (as hereinafter defined) for the Property;

(c) Levying and expending of assessments, including but not limited to assessments for the maintenance, repair and replacement of the Limited Common Elements to the Unit Owners' benefited by and entitled to the possession, use and enjoyment of such Limited Common Elements;

(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 and land 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, but no such rule or regulation shall make improper or illegal any program or activity of the Declarant that prior to the adoption or amendment of the rule or regulation was otherwise proper or legal hereunder.

(i) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;

(j) Having 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 another Unit or Units;

(k) Borrowing money at such rates of interest as it may determine, issuing its notes, bonds, and other obligations to evidence such borrowing, and securing any of its obligations by making a mortgage or giving a security interest in all or any of its property or income;

(l) Paying real estate property taxes, special assessments and any other special taxes or charges of the State of Illinois or of any political subdivision thereof or other lawful taxing or assessing body, that are authorized by law to be assessed and levied on the real property of the condominium (other than assessments on Units not owned by the Association);

(m) Imposing charges for late payments of a Unit Owner's proportionate share of the Common Expense, or any other expenses lawfully agreed on, and after notice and an opportunity to be heard, levying reasonable fines for violation of the Declaration, Bylaws and rules and regulations of the Association;

(n) Assigning its rights to future income, including the right to receive Common Expenses assessments;

(o) Recording the dedication of a portion of the Common Elements to a public body for use as, or in connection with, a street or utility, when authorized by the Unit Owners under the provisions of Paragraph 5(c) of the Declaration;

(p) Recording the granting of an easement for the laying of cable television cable when authorized by the Unit Owners under the provisions of Paragraph 5(c) of the Declaration;

(q) Recording the grant of an easement for construction, maintenance, or repair of a project for protection against water damage or erosion;

(r) Making reasonable accommodation of the needs of handicapped Unit Owners (or their employees or invitees) as may be required by the Human Rights Act, in the exercise of its powers with respect to the use of the Common Elements or approval of modification in an individual Unit.

In the performance of their duties, the officers and members of the Board shall exercise, whether appointed by the Declarant or elected by the members, the care required of a fiduciary of the members.

Section 2. Specific Powers and Duties. Anything herein contained to the contrary notwithstanding, the Association shall have the following powers:

(a) To engage the services of a manager or managing agent, who may be any person, firm or corporation, upon such terms and compensation as the Association deems fit, and to remove such manager or managing agent at any time, provided any agreement with such manager or managing agent shall extend for not more than three years and must be terminable by either party to such agreement without cause and without payment of a termination fee, upon ninety (90) days' or less prior written notice.

(b) To engage the services of any persons (including, but not limited to, accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Association, in the operation, repair, maintenance and management of the Property, or in connection with any duty, responsibility or right of the Association and to remove, at any time, any such personnel.

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

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

(e) Upon authorization of a two-thirds vote of the members of the Board or by affirmative vote of not less than a majority of the Unit Owners at a meeting duly called for such purpose, the Board acting on behalf of all Unit Owners shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments or charges of the State of Illinois or any political subdivision thereof or of any lawful taxing or assessing body, and to charge and collect all expenses incurred in connection therewith as Common Expenses.

Nothing herein contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the Unit Owners or any of them. The granting of licenses, leases, or concessions as provided in Paragraph 4 of the Declaration shall not be considered conducting an active business for profit.

Section 3. Authorized Expenditures. The Association shall acquire and make arrangements for, and pay for out of the Maintenance Fund, in addition to the manager, managing agent or other personnel above provided for, the following:

(a) Water, waste removal, heating, electricity, telephone, or other necessary utility services for the Common Elements and such services to the Units as are not separately metered or charged to the owners thereof;

(b) Such insurance as the Association is required or permitted to obtain as provided in the Declaration or the Act;

(c) Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintaining, decorating, repairing and replacing the Common Elements (but not including the Limited Common Elements not visible from the exterior of the Building, which the Unit Owners enjoying the use thereof shall paint, clean, decorate, maintain and repair) and such furnishings and equipment for the Common Elements as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Elements. Anything in the Declaration or foregoing to the contrary notwithstanding, (1) the Association shall be responsible for the repair and replacement of all skylights, windows and doors provided that when the need for repair or replacement is due to the act or omission of a Unit Owner, or an employee, agent or invitee of a Unit Owner, the Association shall charge the Unit owner for the cost of such repair or replacement; and (2) a Unit Owner shall be solely responsible for the maintenance, repair, and replacement of the furnace, air conditioner compressor and all related HVAC equipment serving such Unit Owner's Unit exclusively and all pipes, ducts, and wires connecting such equipment no matter where the equipment is located.

(d) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments that the Association deems necessary or proper for the maintenance and operation of the Property or for the enforcement of any restrictions or provisions contained herein;

(e) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof which may in the opinion of the Association constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Unit Owners. When one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs incurred by the Association by reason of said lien or liens, including but not limited to, any interest, late charges, reasonable attorneys' fees, costs of collection and the amount of any unpaid fine, shall be specially assessed to said Unit Owners and shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the Property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

(f) Maintenance and repair of any Unit or any other portion of the Property which a Unit Owner is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Association, to protect the Common Elements or any other portion of the Property, and the owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair is delivered by the Association to said Unit Owner; provided that the Association shall levy a special assessment against such Unit for the cost of said maintenance or repair, and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

(g) Maintenance and repair (including payment of real estate taxes and common expenses) with respect to any Unit owned by the Association;

(h) If, due to the act or neglect of a Unit Owner or of an employee, agent, invitee or other authorized Occupant of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required that would otherwise be a Common Expense, the assessment against such Unit Owner of a charge for such damage and such maintenance, repairs and replacements as may be determined by the Board, to the extent not covered by insurance, and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the Common Expenses.

All expenses, charges and costs of the maintenance, repair or replacement of the Common Elements, and any other expenses, charges or costs which the Association may incur or expend pursuant hereto, shall be approved by the Association, and a written memorandum thereof prepared and signed by the Treasurer. There shall be no structural alterations to, capital additions to, or capital improvements on the Common Elements or property owned by the Association (other than for purposes of repairing, replacing and restoring portions of the Common Elements) requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00) without the prior approval of at least sixty-seven percent (67%) of the Unit Owners. Separate or special assessments for additions or alterations to the Common Elements or to Association-owned property not included in an Annual Budget (defined in Article VI, Section 4, of these Bylaws) are subject to the approval of sixty-seven percent (67%) of the Unit Owners.

As used herein, the term "repairing, replacing, and restoring" means to repair, replace or restore deteriorated or damaged portions of the then-existing decorating, facilities, structural or mechanical components, interior or exterior surfaces or energy systems and equipment to their functional equivalent prior to the deterioration or damage. In the event the replacement of a Common Element may result in an improvement over the quality of such Common Element as originally designed, the Board may provide for such improvement, provided that if the improvement over and above the functional equivalency of what existed before results in a proposed expenditure in excess of five percent (5%) of the Annual Budget, the Board, on receipt of a written petition by the Unit Owners with twenty percent (20%) of the votes of the Association, within fourteen (14) days after the Board's action to approve such expenditure, shall call a special meeting of Unit Owners within thirty (30) days after its receipt of such petition. Unless a majority of the total votes of the Unit Owners are cast at this special meeting to reject the expenditure, the Board's decision to make the expenditure is ratified.

Section 4. Annual Budget.

(a) Each year on or before November 1st, the Board shall estimate the annual budget of Common Expenses (the "Annual Budget") including the total amount required for the cost of wages, materials, insurance, services and supplies that will be required during the ensuing

calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements (as hereinafter specified), all anticipated assessments and income, and each Unit Owner's proposed Common Expense assessment (including assessments for expenditures relating to the Limited Common Elements proportionately attributable to the Unit Owners to which such Limited Common Elements are assigned), together with an indication of which portions of the Annual Budget are intended for capital expenditures or repairs or payment of real estate taxes. The Board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least thirty (30) days prior to the adoption thereof. The Association shall give Unit Owners notice as provided in Article III, Section 4, of the Bylaws of the meeting of the Board, at which the Board proposes to adopt the Annual Budget, or at which any increase or establishment of any assessment, regular or special, is proposed to be adopted.

(b) If said Annual Budget proves inadequate for any reason, including nonpayment of any Unit Owner's assessment, or any nonrecurring Common Expense or any Common Expense not set forth in the Annual Budget as adopted, the Board may at any time levy a further assessment, which shall be separately assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements, and which may be payable in one lump sum or such installments as the Board may determine. The Board shall serve notice of such further assessment on all Unit Owners (as provided in Article III, Section 4, of the Bylaws) by a statement in writing, giving the amount and reasons therefor, and such further assessment shall become effective and shall be payable at such time or times as determined by the Board. All Unit owners shall be obligated to pay the further assessment.

(c) If an adopted Annual Budget or any special assessment requires assessment against Unit Owners in any year exceeding 115% of the assessments (both regular and special, if any) for the preceding year, the Board, on written petition by Unit Owners representing 20% of the votes of the Association delivered to the Board within 14 days of the Board action, shall call a meeting of the Unit Owners within 30 days of the date of delivery of the petition to consider the budget or special assessment. Unless a majority of the votes of the Unit Owners are cast at a meeting to reject the budget or special assessment, it is ratified. In determining whether special assessments, together with regular assessments, exceed 115% of similar assessments in the preceding year, any separate assessment for expenditures relating to emergencies or mandated by law shall not be included in the computation, and the Board may approve such assessment without the right of Unit Owner veto set forth in this paragraph. As used herein, "emergencies" mean an immediate danger to the structural integrity of the Common Elements or to the life, health, safety or property of the Unit Owners.

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

year. Notwithstanding the foregoing, assessments will not begin until such time as the Declarant elects to stop paying all Association expenses.

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

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

(g) All funds collected hereunder shall be held and expended solely 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 special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements, and in the Limited Common Elements as the case may be.

Section 5. Annual Accounting.

(a) On or before the 1st day of April of each calendar year commencing with the year that the control of the Association is turned over by the Declarant, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with an indication of which portions of the Annual Budget were for capital expenditures or repairs or payment of real estate taxes, and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus Reserves. Any amount accumulated in excess of the amount required for actual expenses and Reserves shall be credited according to each Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year's Annual Budget, until exhausted, and any net shortage shall be added, according to each Unit Owner's percentage of ownership of the Common Elements, to the installments due in the succeeding six months after rendering of the accounting. The Association shall make proper adjustments to such credits to account for those assessments attributable to the Limited Common Elements expenses.

(b) The Association shall allow any First Mortgagee to examine the books and records of the Association during reasonable business hours and to receive, on request, annual

reports and other financial data prepared by the Association, or at its direction.

(c) The Association shall provide an audited financial statement for the preceding fiscal year within one hundred twenty (120) days after the end of such fiscal year on submission of a written request by any holder, insurer, or guarantor of a first mortgage secured by a Unit.

Section 6. Reserves.

(a) The Association shall build up and maintain a reasonable Reserve for operations, contingencies, and replacement. To establish such Reserve, the Declarant shall collect from each Unit Owner, on conveyance of a Unit to such Unit Owner, an amount equal to such Unit's percentage interest multiplied by one-sixth ($1/6$) of the Annual Budget as initially established by the Declarant for the first year following the first annual meeting of the members, and shall remit such amount to the Association. Extraordinary expenditures not originally included in the Annual Budget that may become necessary during the year shall be charged first against such Reserve. In addition, the Association or the Board shall have the right to segregate all or any portion of the Reserve for any specific replacement or contingency on such conditions as the Association or the Board deems appropriate. On or before the day of the first annual meeting of members, the Declarant shall pay for each Unit then owned by the Declarant, such Unit's percentage interest multiplied by one-sixth ($1/6$) of the Annual Budget as initially established by the Declarant for the first year following the first annual meeting of members. When such Units are later sold, the Declarant may collect from the purchasers of such Units sufficient funds to reimburse itself for the funds paid at the time of the first annual meeting of the members. The Declarant may not use any of the Reserves to defray any of its expenses or make up any budget deficits while the Declarant is in control of the Association.

(b) The Annual Budget shall provide for reasonable reserves for capital expenditures and deferred maintenance for repair or replacement of the Common Elements. To determine the amount of Reserves appropriate for the Association, the Board of Managers shall take into consideration the following: (i) the repair and replacement cost, and the estimated useful life of the property which the Association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the Building and Common Elements, and energy systems and equipment; (ii) the current and anticipated return on investment of Association funds; (iii) any independent professional reserve study which the Association may obtain; (iv) the financial impact on Unit Owners, and the market value of the Units, of any assessment increase needed to fund Reserves; and (v) the ability of the Association to obtain financing or refinancing. Anything to the contrary in the foregoing notwithstanding, the Association may elect to waive in whole or in part the Reserve requirements of this section by a vote of not less than 67% of the total votes of the Association. In the event the Association elects to waive all or part of the Reserve requirements of this section, such fact must be disclosed after the meeting at which such waiver occurs by the Association in the financial statements of the Association and, highlighted in bold print, in the response to any request of a prospective purchaser for the information prescribed under Section 22.1 of the Act, and no member of the Board or the managing agent of the Association shall be liable, and no cause of action may be

brought for damages against these parties, for the lack or inadequacy of Reserve funds in the Annual Budget. If the Association elects to waive all or part of such Reserve requirements, the Association may by a vote of not less than 67% of the total votes of the Association elect again to be governed by the Reserve requirements of this section.

Section 7. Default in Payment.

(a) If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the Association may assess a service charge of up to 4% of the balance of the aforesaid charges and assessments for each month, or part thereof, that said balance, or any part thereof remains unpaid. The Association may bring suit for and on behalf of itself and as representative of all Unit Owners, to enforce collection thereof or to foreclose the lien therefor as provided by law; and there shall be added to the amount due, the costs of said suit, together with legal interest and reasonable attorneys' fees to be fixed by the Court. In addition, the Association may also take possession of such defaulting Unit Owner's interest in the Property and maintain an action for possession of the Unit in the manner provided by law. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Unit.

(b) Each such assessment, together with interest, court costs, late charges, and reasonable attorneys' fees and costs of collection, or the amount of any unpaid fine, shall also be the personal obligation of the person who was the Unit Owner at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title or interest unless assumed by them or required by applicable law.

Section 8. Books of Account and Statement of Account.

(a) The Association shall keep full and correct books of account, which shall be open for inspection by any Unit Owner, or any representative of a Unit Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Unit Owner. All funds collected hereunder shall be held and expended solely 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 special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use, and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.

(b) Upon ten (10) days' notice to the Association and the payment of a reasonable fee fixed by the Association not to exceed Fifteen Dollars (\$15.00) any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 9. Other Powers and Duties. The Association may number and assign to any Unit Owner the exclusive privilege to use for storage purposes any portion of the Property

designated for such purposes; provided, however, that the Association shall have the right of access to all such storage spaces that contain pipes or other portions of the Common Elements that the Association has the duty or right to maintain, repair or replace. Any such designation by the Association shall not thereafter be changed except on the affirmative vote of a majority of the Unit Owners. All property stored in any storage area shall be at the sole risk of the respective Unit Owner who has the privilege to use it, and neither the Association nor any other Unit Owner shall be considered a bailee, or otherwise responsible therefor.

ARTICLE VII Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Board may authorize any officer or officers or agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers or agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Association. In the absence of such determination by the Association, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

Section 4. Gifts. The Board may accept on behalf of the Association, any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

ARTICLE VIII Books and Records

Section 1. Maintaining Books and Records. The Association shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of its members, the Board, and committees having any of the authority of the Board.

Section 2. Availability for Examination. The Association shall maintain the following records of the Association, and make such records available for examination and copying at convenient hours of weekdays by the Unit Owners, or their mortgagees, and their duly authorized agents or attorneys:

(a) Copies of the recorded Declaration and Bylaws and any amendments thereto, Articles of Incorporation of the Association if incorporated, annual reports if incorporated, and

ARTICLE XI Amendments to Bylaws

These By-laws may be altered, amended or repealed and new Bylaws may be adopted upon the affirmative vote of at least 67% of all of the members at a regular meeting, or at any special meeting called for such purpose, by recording an instrument in writing setting forth such alteration, amendment or repeal, that is signed and acknowledged by an authorized member of the Board and that contains an affidavit by an officer of the Association certifying that the necessary affirmative vote of the members of the Association has been obtained.

ARTICLE XII Liability of Board Members and Officers; Indemnification

Neither the members of the Board nor the officers of the Association shall be liable to the Association or the Unit Owners for any mistake of judgment, or for any other acts or omissions of any nature whatsoever, as such Board members and officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Association shall defend, indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director or officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, on receipt of an undertaking by or on behalf of the Board member or officer of the Association 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. The sums necessary to discharge the obligations of the Association under this Article shall be Common Expenses.

The indemnification provided by this Article 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 Board members, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall

continue as to a person who has ceased to be a Board member or an officer of the Association. Board members appointed by the Declarant, and officers elected by directors appointed by the Declarant, shall be entitled to all the protections of this Article.

ARTICLE XIII Construction

Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. The Declaration and these Bylaws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these Bylaws and the aforesaid Declaration, the provisions of the Declaration shall control.

All words and terms used herein that are also used in the Declaration shall have the same meaning as provided for such words and terms in the Declaration.

In the event the Association is incorporated, the words "Board of Directors" and "Director" shall be substituted for the words "Board" and "member of the Board" (or "Board member"), respectively wherever they appear herein.